

TRIATHLON ASSOCIATION OF SINGAPORE

FINANCIAL POLICIES & GUIDELINES

Date Created	Created by	Designation
23 June 2011	Eugene Ong	Assistant General Manager

Version Control Record			
Version	Completed Date	Amended By	Remarks
V2012	31 August 2012	Eugene Ong	Review and update relevancy
V2013	28 August 2013	Eugene Ong	Review and update relevancy
V2017	16 October 2017	Eugene Ong	Review and update relevancy
V2020	5 September 2020	Eugene Ong	Review and update relevancy
V2023	14 May 2023	Eugene Ong	Review and Rewrite

Overview

This document sets out the Financial Policies & Guidelines for the Triathlon Association of Singapore (TAS), to ensure internal controls and standard operating procedures (SOPs) are put in place.

TAS's Board is responsible and accountable to ensure proper controls and governance structure. All internal policies, regulations, guidelines and SOPs shall be approved by the Board.

This document follows the Singapore Financial Reporting Standards (including its consequential amendments) (the "SFRS") and Interpretations of FRSS (the "INT FRSS") issued by the Accounting Standards Council (the "ASC"), and the requirements of the Singapore Societies Act, Chapter 311 and Singapore Charities Act, Chapter 37 (collectively refer to as "the Acts"), including the (i) Charities (Accounts and Annual Report) Regulations 2011 on the requirements relating to audit and examination of accounts of charities based on their annual gross income or total expenditure and (ii) Charities (Fund-Raising Appeals for Locals and Foreign Charitable Purposes) Regulations 2012 on the 30/70 fund raising rule.

These guidelines are reviewed periodically to ensure it is updated and in line with SFRS and the Acts. However, in the event that there is a process or policy not dealt with in this document, users are advised to escalate it to TAS to initiate necessary amendment in this document.

General Objectives:

- Proper Management of financial resources
- Safeguard assets by putting in place internal controls and governance
- Accountability to stakeholders by stipulating the accounting and reporting requirements

General Approach:

To ensure proper segregation of duties, and where this cannot be implemented due to a reduced organization structural set-up, mitigating measures shall be put in place by the Board. For example, the Treasurer or an appointed person (preferably with recognized professional accounting qualifications) shall perform review of financial records on a regular and timely basis and conduct surprise checks of valuable assets.

Code of Conduct

TAS Board Members and employees are to:

- Conduct themselves honestly and act in good faith, so as not to bring discredit to TAS, themselves, or sports authorities;
- Avoid potential relationships which may cause or may be perceived as causing conflicts between their own interest and those of TAS;
- Not directly or indirectly participate in payments or receipt of funds or assets for any unlawful or unethical purpose (e.g. influencing customers, personal gain, encouraging improper conduct, influencing legislation, etc);
- be responsible for the safeguarding of TAS's assets including all confidential information and preventing their disclosure to unauthorized individuals.

Policies and Guidelines

1. Record Keeping of Financial Information
2. Approval and Authority Limits
3. Income / Revenue / Receipt
4. Purchases / Procurement
5. Payments and Expenditure
6. Fixed Assets Management and Control
7. Inventories Control
8. Accounting principles and practices

1. Record Keeping of Financial information

Objective

To ensure the financial information and records are properly kept in accordance with the provisions of the Acts, Goods and Services Tax Act.

Statutory Compliance

a) Under Section 10 of the Societies Act (Chapter 311), the Registrar or an Assistant Registrar may at any time by notice under his hand order any registered society to furnish him with any such information as he may require concerning the society or any documents, accounts and books relating to the society.

b) Under Section 12 of the Charities Act (Chapter 37), all accounting and other records (vouchers, invoices and receipts) which are necessary to explain the transactions and financial position of the organisation and to allow the financial statements to be prepared, must be kept available for auditing at the registered office for not less than 5 years from the end of the financial year in which the transaction or operations to which those records relate are completed.

c) Under Section 6 of the Charities Act (Chapter 37), Charities (Fund-Raising Appeals for Locals and Foreign Charitable Purposes) Regulations 2012, a charity shall maintain accounting records containing entries of all donations received and disbursed; and details of all the income received and the expenses incurred. All fund-raising related accounting records must be kept for a minimum period of 5 years from the end of financial year to which the accounting entry relates.

d) Under Section 46 of the Goods and Services Tax Act (Chapter 117A), records must be kept for at least 7 years for the accounting period ending before 1 January 2007 and 5 years for the accounting period ending on or after 1 January 2007.

Accounting Records

a) Proper monthly accounting records, which include the Trial Balance, Statement of Income & Expenditure and the Balance Sheet, must be maintained.

b) Every entry in the accounts must be prepared using sequential number, and must be supported by a voucher containing full description on the nature of the items and supported by documents capable to be used for verification.

c) All supporting vouchers and records necessary to give the requisite authority, information or explanation, shall be deemed to be part of the books of account.

d) For the manual records, if there are any alteration necessary, the original figures shall be crossed through in such a way to still be able to show the original figures entered. The correct figures shall be written above the cancelled figures. All alterations shall be signed by the Finance Manager or equivalent. No correction fluid or pen with erasable ink shall be used. Under no circumstances shall alterations be made on audited figures. Audit adjustments shall be passed in the accounting records/books in a timely manner.

d) For the system generated records, if any alterations are necessary, the original document shall be cancelled and a new document shall be generated by the system. The cancelled document shall still be kept for audit trail purpose. The new document must be approved by the Finance Manager or equivalent. Under no circumstances shall alterations be made on audited figures. Audit adjustments shall be passed in the accounting records/books in a timely manner.

2. Approval and Authority Limits

Objective

To provide guidance for proper use of finances and resources in a manner which satisfies the requirements of internal controls, governance and safeguarding of assets.

Operational Authority and Approval limits

Refers to the operational authority limits and workflows that are set and approved by the Board. The operational transactions include Purchases, Purchase Orders, Contracts/Letter of Award, Disposal/Transfers/Assets Write-Off, Gifts (To external parties), Legal Fees and Claims & Expenses. Any change in the Operational Authority and Approval Limits requires Board's approval.

The Board set the approving authorities for the following:

- Approval to purchases
- Approval to purchase orders/ contracts/ letters of award purchases
- Approval for waiver of competition/ limited procurement

Reviewer and Approver Table

(Purchases, Purchase Orders, Contracts, Letter of Award, Waiver of Competition, Claims and Expenses)

Value	Review by	Approved by
Amount \$6,000 or less	Executive/Senior Executive	General Manager
Amount \$6,001 to \$70,000	General Manager	Treasurer & President/Secretary General
Amount \$70,001 and above	Treasurer & President/Secretary General	TAS Governing Board

(Disposal/Transfer/Write off of Assets, Bad Debts Write off, Advertising & Promotions, Legal fees, Gifts)

Value	Review by	Approved by
All Amount	Anyone in Secretariat/Board	TAS Governing Board

3. Income / Revenue

Objective

To provide guidance for the recognition, measurement and classification of the income/ revenue.

Unrestricted Income

Income received from government agency (eg. SportSG) for the main activities of TAS is accounted for as unrestricted income.

Main activities includes:

1. Secretariat headcounts
2. Office Administration expenses
3. Pathway Development
4. Capability Development
5. Local Training and Competitions
6. High Performance

Government agency grants are recognised upon receipt and for event that occurred during the financial year.

Reimbursement from government agency is recognised as income in the Statement of Income and Expenditure on a systematic basis in the same period in which the expenditure is incurred.

The Board shall ensure that expenditures (both capital and operating in nature) incurred complies with the main activities listed under Key Deliverables in each financial year.

Restricted Income

Restricted funds are funds that are subjected to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity.

Restricted funds comprise restricted income funds and endowment funds.

Income relates to specific project/ purpose is accounted for directly in the Restricted Income Fund to which it relates to. (eg. OTSF Fund)

Endowment fund is a capital fund that is to be retained for the benefit of the charity. Endowment funds generally comprise permanent and expendable endowment funds. A permanent endowment fund is an endowment fund where there is no power to convert the capital into income, which must generally be held indefinitely. An expendable endowment fund where there is power to convert the capital into income.

Donations

Donations can be made outright by cash, cheque or bank transfer. Cash donations advice should be provided by the Board in respect of any offers of donations in relation to the nature, origin of the funds, including any restriction on use of the funds. The terms of any specific donations and endowments must be carefully considered before a donation is accepted.

Careful consideration should be given before accepting donations in kind. Where the value of donations in kind can be estimated with sufficient reliability, they shall be recorded as income upon receipt and for event that occurred during the financial year. The fair value is the standalone price that they would have to pay in the open market for an equivalent item. When the value of donations in kind cannot be estimated with sufficient reliability, this information shall be disclosed in the notes to the financial statements.

All collections received should be promptly deposited. A written acknowledgment and thanking the donor for their receipt on official organisation letter head shall be issued.

The Board shall keep a record of the donation information, in confidentiality, such as name of the donor, date, amount and purpose of the donation. It should not disclose the identity of the donors or share information on donors without prior permission from the donors.

Sponsorship

If TAS receives sponsorship income, it is obliged to acknowledge the involvement of the sponsor. To the extent that this returns a benefit to the sponsor, the income is not a donation. It shall be recognised upon receipt and for event that occurred during the financial year. Sponsorship in kind is recognised based on fair value of sponsorship received.

Interest Income

Interest income on bank deposits is recognised on a time-proportion basis considering the principal outstanding and at the applicable rate.

Other Income

Examples of items that fall within this category include gains on the disposal of equipment.

Official Receipts

Any cheque or other negotiable instrument not crossed shall be crossed upon receipt.

To include in website & registration forms that all cheques payable to TAS should be drawn in favour of TAS and should be crossed "A/C Payee Only".

TAS should appoint officers who are authorised to receive monies and issue official receipts.

Pre-serialised official receipt shall be issued in the following cases:

- a) Income received in cash;
- b) Donations (in cash or cheque) received; and
- c) Outright tax-deductible donations received (Note: This shall be issued with a tax deduction receipt in accordance with the Charities (IPC) Regulations.)

If a receipt is spoilt and cannot be used, it shall not be destroyed but shall be voided and attached to the counterfoil for inspection when required.

Proper Segregation of Duties for Receipt of Income

Procedures for receipt of Income	Action By
Collect proceeds and issue official receipts.	Officer 1
Record amount collected into a register (cross-reference to receipt number). The register should include details such as date of receipt, amount, received from, purpose, form of receipt (whether cash or cheque), date on which proceeds will be deposited into the bank, who collects the proceeds.	Officer 2
Enter the proceeds into the books.	Officer 2
Deposit the proceeds into the bank within a week or when the cash in hand exceeds \$5,000.	Officer 3
Reconcile deposits shown on the bank statement against Income Summaries Report / Receipt Register Book. This reconciliation is to be conducted monthly and signed by the officer conducting the reconciliation.	Officer 2

All monies received shall be entered into the books and shall be banked gross. Deductions shall not be made from cash received. No amounts are to be held back for topping up of petty cash or to pay other expenses. Cash collected shall not be replaced or exchanged with a personal cheque.

All monies received should be duly supported by relevant supporting document(s) such as invoices, registration listings, timesheets, or match fixtures (where relevant). An officer-in-charge shall regularly review to ensure completeness of income collected.

Outstanding Receivables

Procedures to collect amounts from debtors shall be in place to ensure that outstanding receivables are regularly followed up on and/or adequate provision for bad debts or write-off of bad debts are made when necessary.

- a) TAS is responsible for ensuring timely invoicing, which will have terms stated on the invoice issued.
- b) Account receivables ageing report shall be printed monthly to monitor the outstanding receivables. Where applicable, monthly statements to be sent to all debtors as an update on the outstanding amounts.
- c) Where there are outstanding receivables beyond the terms stated on the invoice issued, it is the responsibility of TAS to contact debtors and recover the monies due. This may include verbal or written reminders to follow up on payment, or reasons for non-payment. These debts shall be reported periodically to the Board for review.
- d) For debts to which collection is doubtful, an estimate of Provision for Doubtful Debts shall be made at the financial year end.
- e) Approval from the Board shall be sought before legal action is taken for non- collectible debts. Debts should only be written off after they have been thoroughly assessed to be irrecoverable and after all possible recovery actions have been taken.

Cash

Cash shall be banked in within a week or when cash in hand exceeds \$5,000. Where substantial sums are involved, cash shall be banked in stages during an event and, preferably, by two individuals. TAS is not encouraged to keep high quantum of cash in its premises.

The Treasurer or an authorised officer shall check the amount of cash banked into the TAS bank account against the total receipts issued on a regular and timely basis.

- a) Appoint an authorised officer who shall check the amount deposited into the bank against total receipts issued declared in the register or any other supporting documents on a monthly basis.
- b) The Treasurer or authorised officer shall record details of date and any findings arising from the checks.
- c) Any discrepancy shall be reported to the Treasurer and Management Committee.

Income Reconciliation

An income reconciliation shall be performed against bank statement(s) on a monthly basis. This shall be undertaken by a person independent of counting and banking of cash.

The Treasurer shall be responsible for the safe custody and accounting of the income. The Treasurer may delegate this responsibility but is overall in charge of formulating and implementing procedures to ensure compliance.

4. Purchases / Procurement

Objective

To ensure there are sufficient funds and proper approval sought before committing to any purchases/procurement.

Purchase Records

- All purchase orders records (e.g. emails, vendors' quotations, etc.), regardless of orders carried out or not, shall be properly kept.
- To use serialised purchase order and strictly accounted for numerically.
- Splitting of total quantity to be procured into smaller quantities shall not be allowed. All values stated in this policy refers to the total cost of each purchase.

Specifications

All purchasing shall be based on a specification drafted after consultation with anticipated users and assessment of the key procurement requirements, associated risks and environmental impact.

Estimated Procurement Value

Type of Purchases	Estimated Procurement Value	Quotations	Tender
Small Value	Amount \$6,000 or less	At least 1	Not required
Mid Value	Amount \$6,001 to \$70,000	At least 3	Not required
High Value	Amount \$70,001 and above	Not required	Required

Tender

To develop a purchasing timetable to ensure there is adequate time to carry out the tendering process. The period of tender is 21 calendar days while the minimum Period of Tender is 14 calendar days.

Guidelines

Proper documentation is required for all stages in the procurement process regardless of the purchase value.

The following are the various stages in the procurement process:-

- Determine the requirements and value of the intended procurement;
- Ensure that there is a budget available for the purchase; and
- Obtain approval before calling quotations/tenders for the goods and services.

For small value purchases (the "SVP") where the estimated procurement value not exceeding \$6,000/-, staff may approach the suppliers and purchase the items from them directly if the prices are assessed to be reasonable. To assess if prices are reasonable and best value-for-money, Staff may seek more than 1 quote via verbal or written quotes from suppliers or based on recent purchases, posted prices by suppliers, in the media or any other source of reliable information (e.g. flyers, Internet, newspapers, etc.). Proper documentation shall be kept for these purchases.

For Mid Value Purchases (the "MVP") where the estimated procurement value is above \$6,000/- but not exceeding \$70,000/-, at least 3 written quotations shall be requested for purchases.

For High Value Purchases (the "HVP") where the estimated procurement value exceeds \$70,000, tenders must be invited. Unless otherwise approved by the Board, tender invitations shall be in the form of publication notices in newspapers or websites. All tender invitations shall be open, fair and transparent.

Quotation / Tender

- Call quotations/tenders. TAS shall ensure that vendor(s) are given exactly the same requirements and amount (in quantity) of the intended procurement. The closing date of the quotation/tender must be clearly indicated. All information to the vendors shall be transmitted via a written format. The minimum period for the quotation and tender shall be 7 working days and 14 calendar days respectively.

- b) If need be, all the vendors shall be called for a single meeting to explain the specifications. No indication of the budget available shall be given in the quotation/tender calling process. Proceedings of meetings with vendors should also be documented.
- c) Vendor(s) are to email/mail their quotations/tender proposals to TAS.
- d) The TAS shall not reject quotations/tenders from suppliers who were not originally invited to quote.
- e) The quotation/tender selected shall meet the three basic procurement principles of fairness, transparency and value for money. If purchases are made without going through an open quotation or tender, TAS shall seek written approval for waiver of competition from the approving authority. Decisions from approving authority for approving such waiver shall be recorded.
- f) Claims are to be filed for goods damaged in delivery.

Evaluation of Quotations

- a) The evaluation of quotations shall be initiated by TAS.
- b) The staff shall put up a formal document summarising the quotations received and the recommendations for the quotation selected.
- c) The authorised approving authority for quotations must be satisfied that the supplier recommended is capable of satisfactory supply or execution of the stores, services or works quoted for. Approving officers shall approve or reject the quotation recommended.
- d) Splitting of total quantity to be procured into smaller quantities shall not be allowed.

Tender

- a) For expenditure or purchases, works and services which exceeds \$70,000/-, a tender shall be called.
- b) The major stages of tendering procedures are as follows:-
- Prepare Invitation to Tender. The minimum information required would be the covering letter, instructions to tenderers, conditions of contract, requirement specifications, evaluation criteria and form of tender. (Security deposit which is a means of holding the successful tenderer to the contract must be made known up front in the Invitation to Tender.)
 - Notification of tender
 - Receipt of tender proposals from suppliers
 - Evaluation of tender (based on assessment of value for money including quality, compliance to tender specifications, price, timely delivery, reliability, etc.)
 - Recommendation of award to the Tender Approving Authority
 - Approval for award
 - Award of the tender
 - Post award contract management
- c) Confidentiality Information - During the competition process bidder information is kept confidential and one bidder's offer, in particular pricing information, must not be disclosed to another bidder. Disclosing pricing information is not good purchasing practice. It undermines TAS's reputation for fair dealing and will deter bidders from dealing with TAS in the future.

Opening of Tender

- a) Every tenderer will be informed:-
- Closing date and time of tender

- Tender box number (if any)
- The address to which the tenders should be sent

b) Instructions to tenderers should make it clear to tenderers that TAS cannot be held responsible for putting tenders received through the post into the correct tender box. Every effort will be made to place such tenders promptly and unopened in the correct tender box.

c) TAS will distribute with each Invitation to Tender a self-addressed label or an envelope marked with the closing date, tender number and tender box number, if any. The use of other envelopes or labels by tenderers, provided they are addressed as instructed in the invitation, will also be accepted. The tenderer's name and address should also appear on the label or envelope. Tender boxes, when used, will be made accessible to tenderers during normal working hours and will remain locked. The key will be kept by the officer authorised to open tenders. TAS shall designate an officer for this role.

d) Under no circumstances will a tender box be opened before the closing date laid down in the Invitation to Tender. If a tender is deposited in the wrong tender box, it will be returned to the tenderer with an appropriate explanation.

e) Tenders will be opened only by authorised officers (at least 2 persons) appointed by the TAS's Board. The officers authorised to open tenders will prepare a schedule of tenders showing:

- The tenderer's name
- Item number as given in the Invitation to Tender
- The price and where appropriate, the tenderer's terms of delivery
- The total number of tenders received

Period of Tender

a) The Period of Tender refers to the time period between the date of publication of Tender Notice and the closing date for receipt of Tender Proposals from tenderers.

b) The norm for the Period of Tender is 21 calendar days while the minimum Period of Tender is 14 calendar days. Where there is a necessity for briefing/site show-round to tenderers, the tender closing date should be at least 14 calendar days from the date of tender briefing/site show-round. All tenders must close on a working day so that tenderers can reach TAS for clarifications (if any).

c) In setting the Period of Tender, TAS should strike a balance between undue delay and giving prospective tenderers sufficient time to prepare a considered value for money response to the tender. In particular, the Period of Tender cannot be so short that only the incumbent can respond with a complete proposal.

d) In exceptional circumstances where there is an extreme urgency to meet critical operational deadlines, because of safety considerations or if it is in the general public interest, the minimum period of tender may be reduced to a period deemed sufficient to obtain quotes from more than one supplier. In setting a period of tender below 14 calendar days, TAS must duly substantiate the circumstances calling for the waiver and obtain the approval of an approving officer (to be decided by TAS). However, if urgent supplies are needed frequently, it is better to plan for them as part of a period contract or framework agreement.

e) TAS must put in place approving authorities to approve the waiver of the minimum period for tender.

f) TAS shall consider extending the Period of Tender when it appears that tenderers in general have difficulties complying with the stipulated period, for example, if there are requests from two or more tenderers for an extension of time.

Tender Evaluation, Selection of Tenders and Submission of Tenders to the Approving Authorities

(a) The tender evaluation shall be carried out by one or more officers. If the evaluation is complex, a formal Tender Evaluation Committee (the "TEC") should be formed.

(b) The TEC could consist of representative of the user units and technical specialists. There should be a process for members of the TEC to declare “Conflict of Interest” upfront before the start of evaluation. The statement below should be stated within the evaluation report endorsed by the TEC.

“Each of the undersigned, being a member of the TEC, declares that he has no personal interest in or bias against any of the tenderers that have been evaluated by the TEC and that he has not influenced the decision in any way that would lead to any unfair advantage gained or disadvantage suffered by any tenderer.”

(c) After evaluation, the evaluation officer(s) shall prepare a Tender Evaluation Report which will contain the evaluation outcome and justification. This would be submitted to the recommendation authority for vetting/recommendation before submitting to the Tender Approving Authority (the “TAA”) for final approval.

(d) The proposals shall be evaluated based on the evaluation criteria stated in the Invitation to Tender documents.

(e) If evaluation is based on price only, and in cases where the evaluation team claims that the lowest offer does not meet the specifications, reasons for rejection should be recorded in the tender submission document.

(f) All tenders received and opened, including those found to be defective would be sent to the TAA for consideration.

Period Contracts and Framework Agreement

If TAS requires the purchases of certain goods/services from time to time within a definite period, it may call for one of the following:-

a) Period contract refers to an arrangement whereby TAS may establish a master contract for a limited period of time with the supplier. Once a period contract has been established, TAS can order the items from the master contract by issuing a purchase order without the need to obtain any quotations. This is because the terms and conditions including the unit and total prices are fixed and known to TAS.

b) Framework agreement refers to an arrangement whereby TAS establishes a master contract for a limited period of time with the supplier. TAS can only order items from the master contract by issuing a Request for Quotation to appointed suppliers under the framework agreement. Suppliers will respond with their quotations and TAS will seek approval to award to the suitable supplier by issuing a Purchase Order.

5. Payments and expenditure

Objective

To ensure proper segregation of duties involved during the payments process are put in place and conduct regular reviews on the internal controls and the SOP

To ensure all necessary approvals have been obtained from the appropriate authority prior to the payment and disbursement; and the persons processing the payments and disbursing the cash are different officers.

To ensure all payment vouchers, supporting documents and endorsement of physical and electronic cheques/payments are properly conducted and controls are built in place.

To ensure accurate computation of salary deduction to be align with relevant agencies computation and contribution rate

Bank Reconciliation

A bank reconciliation statement shall be prepared on a monthly basis.

An officer who is not involved in the receipt or payment function shall prepare the bank reconciliation. The bank reconciliation statement shall be approved and reviewed by the supervisor who shall countersign on the statement after he is satisfied that the reconciliation is accurate. Any discrepancy is to be reported to the Board and the matter is to be investigated immediately.

Guidelines

Approving Authorities for payments

Only authorised signatories whom TAS approved are authorised to release approved payment.

All cheques will have to be signed by the TREASURER and either by the PRESIDENT or SECRETARY-GENERAL.
All online banking payment transactions (PAYNOW, IB Transfer) will have to be approved by the TREASURER and either by the PRESIDENT or SECRETARY-GENERAL.

Staff Claims

Based on the principle that no officer shall release his or her own approved expenditure, approving authorities shall not approve their own claims; such claims shall be approved by other authorized officers.

Entertainment Expense

Entertainment expenses shall only be incurred for official business only.

Airfare and Accommodation Expense

Overseas Training and Competitions Grant (for Airfare and Accommodation) that are held by SportSG and payout to the appointed Agents on behalf of TAS, will not be disbursed to TAS but need to be captured in TAS's books.

Travel Expense

When an officer must travel by air on official duty, he shall travel by economy class. The choice of airline need not be based solely on the lowest fare but shall consider its reliability and safety records.

TAS shall put in place internal regulations to ensure that travel expenses incurred are not extravagant.

Advance cash in relation to overseas trips shall be given to only cover expenses incurred during the trip. The advance would be based on a reasonable estimation of expenses expected to be incurred. The budget for the trip shall be approved prior to the release of the advance cash.

A report of the expenses together with the original receipts and any cash balance shall be forwarded to the finance department within one month upon return from the trip.

Where applicable, TAS is to account for the relevant insurance claim pay-out received from the Insurer and the corresponding expenditure incurred on said claim (under the Shared Travel Insurance Programme) to accurately reflect the expenditure incurred for overseas travels approved and funded by SportSG

Capital and Operating Expenditure

Without credit terms:

Invoice shall be verified before seeking approval for release of payment. The description, quantity and cost of goods/ services to be supplied must be verified to ensure that they correspond with orders placed for.

With credit terms:

Invoice shall be verified before seeking approval for release of payment. The description, quantity and cost of goods/ services supplied shall be inspected to ensure that they correspond with orders placed and invoiced for.

TAS's capital and operating expenditure must be supported and approved by the officer as indicated below. The approving officer shall not be the claimant or certifying officer.

Preparer – Executive/Manager of TAS

Certifying Officers – General Manager of TAS

Verifying Officer - Secretary General of TAS

Approving Officer – TAS Board

Payment Vouchers

The payment voucher

- shall be serially numbered and unique to itself for easy reference
- must be attached with original supporting documents
- shall be prepared for all payment transactions which include physical cheques, ibanking transactions such as fund transfer, paynow and any other mode of payments
- must quote the cheque number or ibanking bank reference number for fund transfer/ paynow
- must be checked by the supervisor and approved by authorised officer who shall not be the claimant or certifying officer

TAS shall put in place control measure to ensure no duplication of payment. The payment voucher and all the supporting documents shall be stamped "PAID" once payment is made. System or manual control to reject duplicate invoice numbers, etc.

Supporting Documents

Claim forms shall be completed by the individuals making the claims. This is to ensure the authenticity of the claims. Necessary details shall include the payee's name, date, particulars and the claim amount.

Claims and reimbursements shall be duly supported. Supporting documents may include (1) the original copy of official receipts, (2) timesheets and any other documentary proof to support the claims. Credit card charge slips and claimant's credit card statement of account are not accepted as supporting documents.

Payment for the purchase of goods and services shall be supported by original copies of the

following and shall be duly certified by the relevant officers: -

- Invoices/ e-invoices/ debit notes/ bills from suppliers
- Cash sale receipts
- Purchase Orders

- Receiving reports or Delivery Orders
- Boarding pass(es) and/ or other documents as proof of travel (to be attached after completion of trip as proof of travel)
- Other documentary evidence of goods and services

Supplier's/ Vendor's monthly Statement of Accounts are not acceptable as supporting documents.

Supporting documents shall be maintained for all payment transactions which include telegraphic transfer and any other mode of payments.

For NSAs who uses SportSG's Shared Travel Management Services need not present boarding pass(es) as document support as proof of travel. In replacement, relevant documents (such as travel itinerary, "No-show" report, etc) as provided by the SportSG appointed travel agent shall suffice.

Payment Modes

Physical Cheques

(a) Signing of cheque before all other details have been completed, without accompanying invoice from vendor and before checking goods received or services completed is strictly not allowed. There shall be supporting documents showing that the service has been performed.

(b) All cheque payments shall be crossed. The amount paid to the payee shall be printed clearly.

(c) Under no circumstances shall cheque payment be made to person or persons other than those named in the invoice.

(d) No open-dated cheque shall be issued. Any cheque not presented within the validity period is to be treated as cancelled and appropriate adjustments shall be made in the accounting records of TAS to effect the cancellation.

(e) TAS shall ensure that there are two signatories for the cheque issued. The authority limits for the signatories shall rest with the TAS's President and Secretary General. Cheque signatory shall not sign cheque issued to themselves.

(f) Cheque summary sheet of issued cheques shall be retained for verification purposes.

(g) Spoilt or cancelled cheque shall be marked "CANCELLED" across the electronic cheque and retained for verification.

(h) Loss of cheques, either before or after issuance, shall be reported immediately to the bank. A replacement of the cheque can only be made after confirming with the bank that the lost cheque has been stopped and after checking with the bank and updated bank statements / reconciliations that it was not presented for payment.

(i) Segregation of duties is very important. The person that can enter payments into the accounting records cannot be the person signing the cheque.

I-banking Payments

The electronic cheque or iB Cheque allows the organisation to purchase a local currency bank cheque online and mail it to any organisation in Singapore. Other modes of ibanking payments include via credit/ debit cards, Giro arrangements, fund transfer, PayLah!, Paynow. TAS must ensure only authorised personnel can access to the One Time Password (OTP) for all ibanking services either via physical and/or digital token. There must be a clear role set for approval, payment, and record-keeping to retain the same level of control and efficiency on electronic payments.

Petty Cash Payments

All claims through petty cash shall be made on prescribed petty cash voucher and shall be duly approved.

Petty cash voucher shall be completed in ink and shall be legible. The approving officer shall initial any alterations made to the petty cash voucher. No correction fluid/ correction pen is allowed.

All petty cash claims are to be supported by original receipts.

All small receipts need to be neatly pasted on a piece of paper to avoid any misplacement of the receipts. (Good to Have) TAS shall set a limit for payments made through petty cash.

The claimant shall acknowledge receipt of cash on the petty cash voucher
 Petty cash accounts shall be reconciled monthly by a person other than the custodian. A surprise cash count shall be conducted by an independent party not handling cash, e.g. the Treasurer or any appointed Board Member where appropriate. This process is to be documented.

CPF Contribution rates for Singaporeans and SPRs (from third year and onwards)

Employee's age (years)	Contribution rates from 1 January 2023 (Monthly wages > \$750)		
	By employer (% of wage)	By employee (% of wage)	Total (% of wage)
55 and below	17	20	37
Above 55 to 60	14.5	15	29.5
Above 60 to 65	11	9.5	20.5
Above 65 to 70	8.5	7	15.5
Above 70	7.5	5	12.5

Contributions to self-help groups for Singaporeans and SPRs

Chinese Development Assistance Council (CDAC) – Employees who belong to the Chinese community

Mosque Building and Mendaki Fund (MBMF) – Employees who are working Muslims (including Foreign employees)

Singapore Indian Development Association (SINDA) – Employees of Indian descent (including Employment Pass holders)

Eurasian Community Fund (ECF) – Employees who belong to the Eurasian community

Contributions to the MBMF are based on the employee's religion. Contributions to other SHGs are based on the employee's race indicated on the NRIC. For employees with double-barrelled race, you can refer to the first component of the double-barrelled race to determine which SHG fund your employee should contribute to.

Employers are expected to deduct SHG contributions from employees' wages, and pay the contributions to the CPF Board when making CPF contributions

CDAC Contribution rates	
Monthly Total Wages	Monthly contribution
=< \$2,000	\$0.50
> \$2,000 to \$3,500	\$1
> \$3,500 to \$5,000	\$1.50
> \$5,000 to \$7,500	\$2
> \$7,500	\$3

MBMF Contribution rates	
Monthly Total Wages	Monthly contribution
=< \$1,000	\$3
> \$1,000 to \$2,000	\$4.50
> \$2,000 to \$3,000	\$6.50
> \$3,000 to \$4,000	\$15
> \$4,000 to \$6,000	\$19.50
> \$6,000 to \$8,000	\$22
> \$8,000 to \$10,000	\$24
> \$10,000	\$26

SINDA Contribution rates	
Monthly Total Wages	Monthly contribution
=< \$1,000	\$1
> \$1,000 to \$1,500	\$3
> \$1,500 to \$2,500	\$5
> \$2,500 to \$4,500	\$7
> \$4,500 to \$7,500	\$9
> \$7,500 to \$10,000	\$12
> \$10,000 to \$15,000	\$18
> \$15,000	\$30

ECF Contribution rates	
Monthly Total Wages	Monthly contribution
=< \$1,000	\$2
> \$1,000 to \$1,500	\$4
> \$1,500 to \$2,500	\$6
> \$2,500 to \$4,000	\$9
> \$4,000 to \$7,000	\$12
> \$7,000 to \$10,000	\$16
> \$10,000	\$20

6. Fixed Assets Management and Control

Objective

To ensure there is proper management, administration, control and documentation for the purchase, use, scrapping and disposal of fixed assets; including the physical fixed assets.

Responsibility, Accountability and Ownership

All employees are personally responsible for protecting the organisation's assets. This includes proper care, maintenance, control and safeguard to prevent loss, damage or theft.

Assets should be used for TAS's business and work purposes. Employee may be charged for any loss or damage to organisation's assets attributable to their negligence or unauthorised use.

Asset Acquisition & its Maintenance

All fixed asset acquisitions should only be made after approval has been obtained in accordance with the guidelines in this policy

All asset acquisition documents which include contracts/ agreements, justification paper, invoices, certificate of acceptance (if any), delivery orders that are required for accounting and proper documentation, shall be kept.

Assets purchased with warranty, the warranty information and support documentation are to be maintained properly, to be used in pursuing a warranty where needed.

Asset Disposal

No fixed asset can be disposed without proper approval. This covers the sales (either to external parties or internal staffs), give-away or scrap assets. This applies to all fixed assets regardless of their net book value. To be responsible for the proper disposal of the asset. Witness of physical disposal by Finance is required.

Asset impairment/Write-off

All fixed assets must be reviewed for their economic value at least annually to identify if there is a need for impairment or write-off. If the needs arise, the justification paper must be raised to initiate the write off, impairment or accelerated depreciation.

Asset Transfer

No fixed assets should be allowed to be removed without a duly approved justification paper.

Annual Physical Assets Stock-Take/Tracking

Beside proper administration and recording of fixed assets, physical asset stock-take is essential to ensure that the fixed assets recorded in the Fixed Asset Accounting and Register physically exist. It also aids in determining if unrecorded or improperly recorded transactions have occurred, and identify any excess, defective or obsolete assets on hand. An effective physical stock-take results in an accurate accounting of fixed assets and indicates the reliability of the system of accountability for the acquisition, use and disposal of these assets.

The frequency of taking a physical stock-take depends on the nature, quantity and value of the fixed assets, and the cost and effort required performing the procedures. A full stock-take must be performed annually in addition to any adhoc interim stock takes.

Guidelines

Elements of Costs

The cost of an item of fixed asset comprises:

(a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

(b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The following are examples of directly attributable costs:

- Initial delivery and handling costs (i.e. freight charges);
- Installation, assembly and testing costs;
- insurance; and
- professional fees.

Capitalisation of Fixed Assets

a) The cost of asset of S\$3,000 and above per unit shall be capitalised, with the following exceptions

- It forms part of a system and is purchased together with the rest of the system in one capital expenditure.
- It is a desktop computer or laptop or similar.

For cost of asset below \$3,000 per unit, it will be expensed off to Statement of Income and Expenditure under operating expenses called Capitalised Item Expensed (CIE). Examples of such assets would include handsets, cameras, external hard disk drives, thumb drives, dongles, printers, laptops batteries. It needs not be registered in the fixed asset register but shall be administrated under Capitalised Item Expensed (CIE) listing.

b) All expenses to render an asset suitable for its intended use shall be capitalised. This will cover items such as freight, insurance, professional fees (architects, engineers), installation and test run cost before actual usage.

c) Repair and maintenance that restores an asset to working condition and minor modification costs shall be expensed off as incurred.

d) Warranty of equipment will be treated as operating expenses to purchase some form of insurance protection. Such warranty does not enhance the useful life of the assets.

e) Maintenance and warranty costs that are embedded in the initial costs of equipment purchased shall be expensed off if the valuations of the amounts are available.

f) Consumable spares like connectors, jumpers, plugs, adaptors, sockets, screws, extension cords should be expensed off as consumables. Tools like screwdrivers, spanners and ladders should be expensed off.

g) Costs incurred for training staff to use, maintain or further develop the fixed asset should be expensed off. This includes technical training incurred.

h) Items that are operated as a system such as telephone network, IT server, etc., shall be treated as one item rather than as individual items.

i) The fixed assets are depreciated in accordance with TAS depreciation policy. Assets will be depreciated as follows:

- Furniture and Fittings – 8 years
- Office/ Sports Equipment – 2 years
- Computers (PC, Notebooks, Software) – 2.5 years

Straight-line depreciation method shall be used.

Office equipment	15% per year
Computer equipment	33% per year
Sports equipment	20% per year
Renovation	25% per year
Fixtures and fittings	10% per year
Equipment	15% per year

Improvement and Repairs

All subsequent expenditure relating to fixed assets should be not capitalised unless it can be clearly established that:

- (i) there will be increase in future economic benefits (extension in the asset's estimate useful life, increase in capacity, improvement in the quality of output and reduction in previously assessed operating cost) from the existing assets beyond previous assessment; and
- (ii) the cost of the item can be measured reliably.

Annual Physical Assets Stock-Take/ Tracking

All fixed assets should be physically verified for existence at least once every financial year.

Asset tags with unique asset number should be affixed to the assets to establish the TAS ownership.

Missing Physical Fixed Asset

All missing items shall be followed up in a timely manner, including making of police reports where appropriate.

a) Upon discovery of the loss of assets, the officer in charge is required to put up a report on the same day to the Secretary General of TAS.

b) The report shall include the following:

- (i) Place at which the loss occurred
- (ii) Date and time of the loss (As close as can be ascertained)
- (iii) Date, time and manner of discovery of the loss
- (iv) Description of the lost item with the original cost and net book value.
- (v) Asset number of the lost item

c) A copy of the report is to be lodged with TAS.

d) The Secretary General of TAS shall appoint an investigating officer to determine if the loss of asset is due to fraud, negligence etc.

e) If there is a reason to believe that a criminal offence has been committed, the Secretary General of TAS shall make a police report immediately, regardless of the value of the loss.

Disposal/ Write-off of Assets

The disposal/ write off (e.g. damaged or obsolete) of TAS's assets has to be approved in accordance to the below:

Preparer – Executive/Manager of TAS

Certifying Officers – General Manager of TAS

Verifying Officer - Secretary General of TAS

Approving Officer – TAS Board

Upon obtaining approval for the asset to be written off, a copy of the report/ form is to be lodged with the relevant officer/department to perform the accounting entries and to keep a separate list of disposal/write-off asset from the Fixed Assets Register.

Details to be included in the asset disposal/write-off form are:

- Description of asset and asset number
- Date of purchase of asset
- Brief description of why asset needs to be written off
- Original cost of the asset to be written off
- Net Book Value for the asset to be written off
- Name and signature of officer putting up the request
- Name and signatures of approving authorities

- Date of request and approval date

For disposal with proceed, TAS is required to raise a billing advice to bill the purchaser for the agreed sales price.

Impairment of Assets Review

All fixed assets must be reviewed for their economic value at least annually by their custodian to identify if there is a need for impairment or write-off. If the need arises, a justification paper must be raised to initiate the write off, impairment or accelerated depreciation accordingly together with the justifications.

Assets Transfer

No fixed assets should be removed from the owner/ custodian department without a duly approved justification paper. The Fixed Asset Transfer form will be required for assets transferred within TAS.

7. Inventories Control

Objective

To provide guidelines for general inventory control, and to prescribe the accounting treatment for inventories. It provides guidance on the determination of cost and its subsequent recognition as an expense, including any write-down to net realisable value. It also provides guidance on the cost formulas that are used to assign costs to inventories.

An inventory consists of items acquired through sponsorship, donation or procurement with unit value (measured by valuation or purchase cost) of less than \$3,000. Inventories, in general consist of assets not capitalised per capitalisation policy above. Such items exclude expendable items and include items acquired for present and/or future use.

A proper set of records is necessary to keep track of the NSA SSCMF's inventory. The records shall include the cost price of the item when bought, the description of the item, the date of purchase and the invoice reference.

Guidelines

1. Elements of Costs

The cost of an item of inventory comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition

2. Valuation

TAS should perform periodic reviews (at least yearly) to ensure that cost of inventories does not exceed their net realisable value.

A provision must be made in the following cases:

- Quantities of inventories in excess of consumption (slow moving stocks or items with no planned usage)
- Cost price in excess of market selling price (this to be applied proportionately to work-in progress and raw Materials as well)
- Stock items without value (deteriorated inventory, stock to be scrapped)

The periodic reviews of cost of inventories must be by stock items and any provision made should be based on the stock items and not on a general basis. Documentation of the review and provision is required.

3. Inventory Register

The Treasurer should ensure that the inventory register is properly maintained.

It is the responsibility of the inventory register holder to ensure that:

- (i) appropriate level of inventory is maintained for each item;
- (ii) procedures for the purchase, receipt, issue and disposal of the items in the store are followed;
- (iii) recording of the items in the store is proper and up-to-date;
- (iv) storage and security of the store is proper and adequate;
- (v) Periodic physical stock takes are carried out;
- (vi) Proper handling and taking over of the items in the store are carried out whenever there is a change in personnel overseeing store movement.

4. Physical Stock-take

TAS must perform a complete physical count of stocks at least annually. Significant book-to-physical differences must be reconciled promptly and immediately adjusted to the accounts.

5. Scrap and write-offs

Inventory write-offs must be properly supported and approved by the appropriate levels of authority as specified in the company's approved operational approval and authority limits. Inventory items that have been written off the accounts must be physically scrapped or disposed of immediately.

8. Accounting Principles and Practices

Objective

To describe the specific accounting principles and practices adopted and the methods for applying these principles to ensure

- Financial information and records are properly drawn up in accordance with the provisions of the Acts, Goods and Services Tax;
- Financial statements and information are accurate, timely and prepared on a going concern presumption;
- Uniform accounting principles and practices for proper control and safeguard of organisation assets; and
- The total fund-raising expenses for every financial year does not exceed 30% of the total receipts from fund-raising and sponsorships.

Scope

The implementation of these accounting policies and practices is the joint responsibility of the Secretary General and Treasurer, or the designated person responsible for the organisation's performance and finance function respectively.

These accounting policies and practices are meant to apply

- (ii) within TAS. They are not intended to be a comprehensive code of rigid rules and therefore should not and cannot supersede professional judgment on the part of the organisation.
- (iii) from the effective date specified in each accounting policy and practice and are not retrospective unless otherwise indicated. Where transition provisions are appropriate, these will be set out in the policy statements.

Conceptual Framework for Financial Reporting

The conceptual framework for financial reporting defines that financial performance shall be reflected by accrual accounting and not cash accounting. This is important because information about an organisation's economic resources and claims during a period provides a better basis for assessing an organisation's past and future performance than information solely about cash receipts and payments during that period.

TAS shall not offset assets and liabilities, or income and expenditure, unless permitted under the relevant accounting standards.

Accounting Standards

This accounting policies should be read in the context of the accounting principles described in the SFRSs and INT FRSs issued by the ASC and the requirements of the Acts.

Income/Revenue Recognition

FRS 18	Revenue
FRS 20	Accounting for Government Grants & Disclosure of Government Assistance
INT FRS 10	Government Assistance – No Specific Relation to Operating Activities
CAS	Charities Accounting Standard

Revenue is the gross inflow of economic benefits (cash, operation income and other consideration) during the period arising in the ordinary activities of an organisation when those inflows result in increases in accumulated funds, other than increases relating to external funding.

Revenue includes only the gross inflows of economic benefits received and receivable by the organisation on its own account. Amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes are not economic benefits which flow to the organisation and do not result in increases in accumulated funds. Therefore, they are excluded from revenue.

In an agency relationship, the gross inflows of economic benefits include amounts collected on behalf of the principal and which do not result in increases in accumulated funds for the organisation. The amounts collected on behalf of the principal are not revenue. Instead, revenue is the amount of commission earned.

Government grants including non-monetary grants at fair value should be recognised only when there is reasonable assurance that the organisation will comply with the conditions attached to them and the grants will be received. These should be recognised in the Statement of Income and Expenditure in a systematic basis over the periods to be matched against related costs.

Government grants receivables on compensation for expenses or loss already incurred or awarded for purposes of giving immediate financial support to the organisation with no further related costs should be recognised in the Statement of Income and Expenditure of the period in which it becomes receivables, as an unusual item if appropriate.

A system for proper cut-off and matching of revenue against cost/expenses must be ensured.

Government grants related to assets, including non-monetary grants at fair value, should be presented in the Statement of Financial Position by setting up the grant as deferred income.

Income from donations, sponsorship, interest on bank deposits and other miscellaneous income shall be recognised in the Statement of Income and Expenditure when the effect of transaction or other event results in an increase in the net assets. This will be dependent on the following three factors being met:

- a) Entitlement – normally arises when there is control over the rights or other access to the resource, enabling the organisation to determine its future application;
- b) Certainty – when it is probable that the income will be received; and
- c) Measurement – when the amount of the income can be measured with sufficient reliability.

Property, Plant and Equipment

FRS 16 Property, Plant and Equipment

FRS 17 Leases

FRS 23 Borrowing Costs

FRS 16 defines property, plant and equipment as tangible items that are:

- a) held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- b) are expected to be used during more than one period.

Intangible Assets

FRS 38 Intangible Assets

INT FRS 32 Intangible Assets – Website Costs

Intangible asset is defined as an identifiable non-monetary asset without physical substance. To meet the definition of an intangible asset, an item must fulfil three criteria:

- (a) identifiability;
- (b) control over resource; and
- (c) existence of future economic benefits

Impairment of Assets

FRS 36 Impairment of Assets

Organisation is expected to conduct periodic reviews for assets to determine if there is any indication that an asset may be impaired. However, for intangible assets with indefinite useful lives (including goodwill), annual assessment for impairment loss is still required even if there is no indication of impairment.

Inventories

FRS 2 Inventories

FRS 2 defines inventories as

- (a) Held for sale in the ordinary course of business (finished goods, trading inventory);
- (b) In the process of production for such sale (raw materials, work-in-process, part-finished products); and
- (c) To be consumed in the production of goods or services for sale (consumables, indirect materials, spares*)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

Fund-Raising Expenses

In accordance with the Charities (Fund-raising Appeals for local and Foreign Charitable Purposes) Regulations 2012, paragraph 7, it states that the total fund-raising expenses for the financial year shall not exceed 30% of the total receipts from fund-raising and sponsorships, as determined by the following formula:

$$\left(\frac{E + S}{R + S} \right) \times 100\% \leq 30\%,$$

where E refers to the total expenses relating to fund-raising for the financial year, including —

- (a) direct and material indirect expenses of any kind; and
- (b) payments made to commercial fund-raisers engaged by the charity, but excluding, in a case of the sale of goods by or on behalf of the charity for fund-raising (and not trading), the cost of the goods sold;

R refers to —

- (a) in a case of the sale of goods by or on behalf of the charity for fund-raising (and not trading), the total receipts from such sale (after deducting only the cost of the goods sold); and
- (b) the total gross receipts from any other fund-raising for that financial year; and

S refers to the total amount of sponsorships in cash received by the charity relating to fund-raising for that financial year that is conditioned upon the provision of direct or indirect commercial benefit to the sponsors.