YALPAE

YOUNG AFRICAN LEADERS PIONEERS AND ENTREPRENEURS

Africa's Light, paying forward to the future

CREATED MARCH 2026

FINANCIAL POLICY & PROCEDURES

1ST EDITION

YALPAE Financial Policy and Procedures Manual

LEGAL STATEMENT

This document constitutes an official governance instrument of **Young African Leaders, Pioneers and Entrepreneurs (YALPAE)**, a registered Non-Profit Company operating in accordance with the laws of the Republic of South Africa.

This document is classified under the **YALPAE Policy Class**, under which all policies, frameworks, declarations, manuals, and operational instruments are maintained as part of YALPAE's integrated governance system.

This Financial Policy and Procedures Manual forms part of YALPAE's internal governance, financial control, and compliance framework and must be read together with the **YALPAE Constitution**, **By-Laws**, **Mandate**, and all other applicable annexes, policies, and governance instruments.

This document applies to all persons who handle, manage, authorise, oversee, record, report on, or otherwise interact with YALPAE funds, assets, financial records, procurement-related financial matters, or financial obligations, including directors, officers, committee members, staff, volunteers, chapter leaders, partners, and any other persons acting under the authority, representation, or auspices of YALPAE.

AUTHORITY CLAUSE

This document is issued under the authority of the **YALPAE Board of Directors** in accordance with the **YALPAE Constitution** and **By-Laws**.

Its provisions derive their authority from, and must be interpreted consistently with:

- The **YALPAE Constitution**
- The **YALPAE By-Laws**
- The **YALPAE Mandate**
- All applicable annexes, policies, and governance instruments, including the **Code of Conduct and Ethics**, **Conflict of Interest provisions**, and any relevant **Safeguarding Framework**

In the event of any inconsistency:

- The **Constitution** shall prevail
- Safeguarding provisions shall take precedence in all safeguarding-related matters

- This document shall govern financial administration, control, oversight, and implementation within its defined scope, subject always to higher governing instruments

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FINANCIAL POLICY & PROCEDURE

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YALPAE FINANCIAL POLICY AND PROCEDURES MANUAL

Young African Leaders, Pioneers and Entrepreneurs (YALPAE)
Owner: Treasurer, under the authority of the Board of Directors

1. Authority, Purpose and Status

1.1 Authority

This Financial Policy and Procedures Manual is issued under the authority of the YALPAE Board of Directors in accordance with the YALPAE Constitution and By-Laws.

1.2 Status

This Manual is binding on all Directors, officers, committee members, staff, volunteers, chapter leaders, project leads, and any person handling, authorising, recording, or reporting YALPAE funds, assets, or financial commitments.

1.3 Relationship to Higher Governance Instruments

This Manual must be read together with:

- the YALPAE Constitution;
- the YALPAE By-Laws;
- the Procurement Policy;
- the Code of Conduct & Ethics;
- the Conflict of Interest provisions; and
- any Board-approved financial directives or procedures issued from time to time.

Where any inconsistency arises, the Constitution shall prevail, followed by the By-Laws, and then this Manual.

1.4 Purpose

The purpose of this Manual is to:

- ensure sound, ethical, transparent, and accountable financial management;
- protect YALPAE's funds, assets, records, and reputation;
- support lawful and mission-aligned use of resources;
- establish clear financial roles, controls, approvals, and reporting lines;
- reduce the risk of fraud, misuse, conflict of interest, and weak oversight; and
- strengthen donor, member, partner, and public confidence.

1.5 Interpretation

This Manual shall be interpreted in a manner that promotes:

- stewardship over personal control;

- accountability over informality;
- transparency without carelessness;
- discipline without unnecessary bureaucracy; and
- continuity beyond individuals.

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2. Scope

This Manual governs all financial activity carried out in YALPAE's name, including:

- budgeting;
- receipt of funds;
- banking and cash management;
- expenditure approval;
- procurement-linked financial commitments;
- payroll, stipends, reimbursements, and allowances;
- grants, sponsorships, donations, and in-kind support;
- chapter finances;
- financial reporting;
- asset management;
- audits and reviews;
- record keeping; and
- investigations into irregular financial conduct.

This Manual applies whether transactions are monetary or non-monetary, central or chapter-based, physical or electronic.

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3. Guiding Financial Principles

YALPAE shall manage all finances in accordance with the following principles:

3.1 Mission Alignment

All financial decisions must support YALPAE's mission, constitutional objectives, and approved strategic priorities.

3.2 Integrity

YALPAE funds, resources, and assets shall never be used for personal benefit, unauthorised political activity, or any purpose inconsistent with YALPAE's values and legal obligations.

3.3 Accountability

Every financial decision must have a responsible person, a clear approval trail, and supporting records.

3.4 Transparency

Financial records and reports must be accurate, timely, understandable, and available to authorised governance structures.

3.5 Value for Money

YALPAE shall pursue economy, efficiency, fairness, and quality in all expenditure and procurement-related decisions.

3.6 Segregation of Duties

No person may control all major stages of a transaction alone. Initiation, approval, payment, recording, and review must be separated as far as reasonably possible.

3.7 Conflict-Free Stewardship

Financial and procurement decisions must be free from undisclosed real, potential, or perceived conflicts of interest.

3.8 Continuity and Institutional Memory

Financial systems must be documented and structured so that YALPAE can function properly beyond any one office-bearer.

4. Governance and Financial Authority

4.1 Board of Directors

The Board holds ultimate fiduciary responsibility for YALPAE. The Board shall:

- approve this Manual and any substantive amendments;
- approve the annual organisational budget;
- approve annual financial statements;
- receive and consider quarterly financial reports;
- approve high-value or exceptional financial commitments as provided in this Manual;
- approve the appointment of auditors, reviewers, or external finance professionals where required;
- ensure adequate internal controls, financial risk management, and compliance systems exist; and
- exercise oversight over the Treasurer, Finance Committee, and management.

The Board retains final authority over budget approval, major financial commitments, investments, reserves, and structural financial risk matters.

4.2 Treasurer

The Treasurer is the Board officer with primary oversight responsibility for financial governance and control. The Treasurer shall:

- oversee implementation of this Manual;
- chair the Finance Committee, unless the Board appoints another chair by resolution;
- review and present financial matters to the Board;
- ensure that budgets, reports, reconciliations, and records are produced and reviewed timeously;
- serve as a mandatory signatory or approver within the bank mandate established by the Board;
- initiate or recommend financial investigations, spot-checks, or control reviews where risk or anomaly arises;
- suspend execution of a payment or financial commitment where there is a documented concern regarding compliance, fraud risk, conflict of interest, budget breach, or material irregularity, pending review by the appropriate authority;
- ensure chapter and project finances are brought into the central reporting framework; and
- support financial discipline without acting outside approved governance processes.

The Treasurer does not replace the Board, the Finance Committee, or approved authorisation structures.

4.3 Finance Committee

The Finance Committee is an advisory and oversight committee of the Board. It does not replace the Board's fiduciary authority unless expressly authorised by Board resolution.

The Finance Committee shall:

- review draft budgets and budget revisions;
- review significant expenditure proposals within its delegated threshold;
- monitor financial performance against budget;
- review quarterly and annual financial reports;
- advise on reserves, investments, internal controls, and financial risk;
- monitor compliance with this Manual and related policies; and
- make recommendations to the Board.

4.4 Executive Director / Manager or Board-Designated Operations Lead

Where YALPAE has an Executive Director, Manager, or formally designated operations lead, that person shall be responsible for day-to-day financial administration within approved budgets and policies.

That person shall:

- implement approved budgets and financial procedures;
- supervise finance-related administrative work;
- ensure proper filing and documentation;
- ensure timely submission of supporting documents, invoices, and reconciliations; and
- report operational finance matters to the Treasurer and Finance Committee as required.

Where no such role exists, the Board shall designate an officer or operational lead by resolution.

4.5 Staff, Volunteers and Chapter Leaders

Any person handling YALPAE funds or assets must:

- comply fully with this Manual;
- act only within delegated authority;
- maintain complete records;
- avoid conflicts of interest;
- report irregularities immediately; and
- cooperate with audits, reviews, and investigations.

5. Financial Year, Planning and Budgeting

5.1 Financial Year

YALPAE's financial year shall be determined by the Board and applied consistently across all programmes, chapters, and reporting structures.

5.2 Annual Budget

An annual organisational budget shall be prepared before the start of each financial year.

The budgeting process shall include:

- budget submissions from relevant departments, chapters, portfolios, and programmes;
- review by management or the designated operations lead;
- scrutiny by the Treasurer and Finance Committee; and
- final approval by Board resolution.

No annual budget is valid until approved by the Board.

5.3 Budget Content

The annual budget should include, where applicable:

- projected income by source;
- programme and project expenditure;
- administrative and operational costs;
- staffing and volunteer support costs;
- fundraising and communications costs;
- capital or equipment expenditure;
- reserve allocations;
- chapter allocations; and
- expected restricted or donor-funded items.

5.4 Budget Revisions

Material budget revisions during the financial year must be approved according to the approval framework in this Manual. Revisions that materially affect organisational priorities, reserves, or major commitments shall be referred to the Board.

5.5 Budget Discipline

No person may knowingly commit YALPAE to expenditure without:

- an approved budget provision; or
- written approval for non-budgeted expenditure under this Manual.

Invoice splitting, artificial division of procurements, or any attempt to avoid approval thresholds is prohibited.

6. Income, Funding and Receipts

6.1 Permitted Sources of Income

YALPAE may receive funds or resources through lawful and mission-aligned means, including:

- membership contributions;
- donations;
- grants;
- sponsorships;
- fundraising campaigns and events;
- merchandise or approved income-generating activities;
- in-kind contributions;
- partnerships consistent with YALPAE's mission; and
- investments approved in terms of this Manual and the Constitution.

6.2 Acceptance of Funds

YALPAE may decline funding, gifts, or contributions where acceptance would:

- compromise independence;
- create an unmanageable conflict of interest;
- expose YALPAE to unlawful or unethical conduct;
- materially harm YALPAE's reputation; or
- contradict YALPAE's mission, values, or constitutional principles.

6.3 Receipting and Recording

All money received must be:

- acknowledged promptly;
- recorded accurately in the financial records;
- deposited into an authorised YALPAE bank account without undue delay; and
- linked to supporting documentation.

No person may receive funds on behalf of YALPAE into a personal account unless expressly authorised by the Board in exceptional circumstances and accompanied by immediate reporting and transfer requirements.

6.4 Restricted Funds

Funds received for a specific purpose shall be used only for that purpose unless the donor or funder lawfully authorises a change.

Restricted income must be separately tracked.

6.5 In-Kind Contributions

All in-kind contributions must be:

- documented;
- acknowledged;
- assessed for relevance, condition, restrictions, and value where reasonably possible; and
- recorded in a manner appropriate to their nature.

Where in-kind support forms part of a partnership, sponsorship, or procurement-equivalent arrangement, it must be governed by a written agreement or MoU setting out obligations, deliverables, and valuation criteria.

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7. Bank Accounts, Cash Management and Payment Controls

7.1 Bank Accounts

All organisational funds must be held in bank accounts opened in YALPAE’s name and approved through Board authority.

7.2 Bank Mandate

The Board shall approve a bank mandate setting out authorised signatories and payment controls.

At all times:

- at least two authorised persons must be involved in payment authorisation;
- no single individual may create, approve, and release the same payment alone; and
- persons with a conflict of interest in a transaction may not authorise its payment.

7.3 Separation Between Approval and Payment Release

Approval of expenditure and release of payment are distinct steps.

Approval confirms that the expenditure is permitted.
Payment release confirms that the approved expenditure is properly documented, due, and ready to be paid.

Both steps must be traceable.

7.4 Payment Methods

Payments should, wherever possible, be made through traceable banking methods. Cash transactions should be minimised and controlled.

7.5 Petty Cash

Petty cash may be operated only if approved by the Board or Treasurer under written procedures. A petty cash float must:

- have a fixed limit;
- be reconciled regularly;

- be supported by receipts; and
- be subject to review.

7.6 Cash Receipts

Cash receipts, where unavoidable, must be counted, receipted, recorded, and deposited promptly. Cash handling must involve at least two persons where reasonably possible.

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8. Expenditure Approval Framework

8.1 General Rule

All expenditure must be:

- lawful;
- budgeted or properly approved as non-budgeted;
- supported by sufficient documentation;
- aligned with YALPAE's mission and plans; and
- approved before commitment, not after the fact, except where unavoidable emergency action is specifically allowed.

8.2 Expenditure Authorisation Levels

Unless the Board resolves otherwise, the following minimum approvals apply:

a. Up to R2,000
Written approval by the Executive Director / Manager or Board-designated operations lead.

b. R2,001 to R20,000
Written approval by the Executive Director / Manager or Board-designated operations lead **and** the Treasurer.

c. R20,001 to R100,000
Resolution or written approval of the Finance Committee, properly recorded, with confirmation that the expenditure is within budget or otherwise approved.

d. Above R100,000
Full Board resolution, minuted.

8.3 Non-Budgeted Expenditure

Any non-budgeted expenditure must be specifically motivated and approved at the level required by value. Where the Treasurer identifies material financial risk or policy non-compliance, the matter must be escalated to the Finance Committee or Board.

8.4 Emergency Expenditure

Emergency expenditure may be authorised only where delay would materially harm YALPAE, its beneficiaries, its property, or its legal position.

Emergency expenditure must:

- be limited to what is necessary;
- be documented immediately;
- be reported to the Treasurer without delay; and
- be tabled before the Finance Committee or Board at the next available meeting.

Emergency expenditure does not excuse non-compliance with conflict rules or record-keeping requirements.

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9. Procurement-Linked Financial Controls

9.1 Relationship to Procurement Policy

All sourcing, quotation, tender, supplier evaluation, and procurement process requirements are governed by the Procurement Policy. This Manual governs the financial approval, budget control, payment release, and recording aspects of procurement.

9.2 Integrated Threshold Application

For procurements:

- the **Procurement Policy** determines how quotations or tenders must be sourced and adjudicated; and
- this **Financial Policy** determines who may approve the financial commitment and who may release payment.

Both must be satisfied.

9.3 Procurement Threshold Alignment

At minimum:

- procurements up to **R5,000** require one written quotation and financial approval under this Manual;
- procurements from **R5,001 to R50,000** require at least three written quotations, documented adjudication, and financial approval under this Manual; and
- procurements above **R50,000** require a formal tender or equivalent Board-approved process under the Procurement Policy.

Where a procurement exceeds **R100,000**, no award or contract may bind YALPAE until approved by the Board, even if the tender or adjudication process has already been completed.

9.4 Youth-Centred Procurement Preference

Where lawful, fair, and value-justified, YALPAE may give preference to:

- youth-led enterprises;
- YALPAE members operating relevant businesses; and
- enterprises committed to inclusive and sustainable development.

Such preference may only be exercised where:

- the supplier is capable and suitable;
- value for money is still achieved;
- conflicts of interest are properly disclosed and managed; and
- the decision is documented.

Preference must never override integrity, fairness, competence, or conflict safeguards.

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10. Payroll, Allowances, Stipends and Reimbursements

10.1 General Rule

Any salary, stipend, allowance, or honorarium must:

- be approved through proper authority;
- be affordable within organisational capacity;
- comply with applicable law and contractual obligations; and
- be supported by records.

10.2 Compensation

Compensation structures must be transparent, justifiable, and proportionate to YALPAE's financial position and approved staffing or engagement framework.

No compensation may exceed reasonable approved levels without Board approval.

10.3 Reimbursements

Reimbursements may be made only for authorised YALPAE expenses supported by:

- receipts or equivalent proof;
- a reimbursement claim;
- a statement of purpose; and
- approval by the designated authority.

Claims should be submitted within a reasonable time after the expense is incurred.

10.4 Advances

Cash or travel advances may be issued only where necessary and must:

- be approved in advance;
- be recorded;
- be cleared with receipts and reconciliation within the required period; and
- not be issued to a person who has failed to clear a previous advance, unless exceptional written approval is given.

11. Asset Management

11.1 Asset Register

YALPAE shall maintain an asset register for all significant physical and, where appropriate, digital assets.

The register should include:

- description of asset;
- date acquired;
- cost or estimated value;
- funding source where relevant;
- serial or identifying number where relevant;
- location;
- custodian; and
- disposal details where applicable.

11.2 Safeguarding of Assets

All YALPAE assets must be protected against loss, theft, misuse, unauthorised disposal, or neglect.

11.3 Verification

A physical verification of material assets shall be conducted at least annually and discrepancies shall be reported to the Treasurer and Finance Committee.

11.4 Disposal of Assets

Assets may only be sold, transferred, donated, written off, or disposed of with written approval at the appropriate level and with proper documentation.

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12. Accounting Records, Reconciliation and Documentation

12.1 Record Keeping

Complete and accurate financial records must be maintained for all transactions.

12.2 Supporting Documents

Every transaction must be supported by appropriate documents, which may include:

- invoices;
- receipts;
- quotations;
- contracts or MoUs;
- approval records;
- payment confirmations;

- bank records;
- claim forms; and
- reconciliation schedules.

12.3 Monthly Reconciliations

Bank reconciliations shall be completed monthly by the responsible finance or administrative person and reviewed by the Executive Director / Manager or designated operations lead and the Treasurer.

12.4 Filing and Retention

Financial records must be stored securely, whether electronically or physically, and retained in accordance with applicable law, donor requirements, and YALPAE policy.

12.5 Access

Access to financial records shall be restricted to authorised persons, while still allowing appropriate governance oversight and audit access.

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13. Financial Reporting

13.1 Internal Reporting

Management or the designated operations lead shall prepare regular financial reports for the Treasurer and Finance Committee.

13.2 Quarterly Reporting to the Board

The Treasurer shall ensure that quarterly financial reports are submitted to the Board.

Quarterly reports should include:

- income received;
- expenditure incurred;
- budget versus actual comparisons;
- cash position;
- restricted fund position;
- outstanding obligations;
- chapter and programme summaries where material; and
- notable risks, variances, or irregularities.

13.3 Annual Financial Statements

Annual financial statements shall be prepared for Board review and presentation at the AGM as required by the Constitution and applicable law.

13.4 Transparency

Financial reporting should be clear enough to support governance decisions and stakeholder confidence without exposing confidential information improperly.

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14. Audit, Review and Financial Oversight

14.1 Annual External Review or Audit

YALPAE shall conduct an independent annual audit or financial review where required by law, donor conditions, Board decision, or organisational scale.

14.2 Access for Review

Auditors, reviewers, and authorised investigators shall be given reasonable access to records, documents, personnel, and explanations required for their work.

14.3 Spot Checks and Internal Reviews

The Treasurer may initiate spot checks or internal financial reviews where irregularity, risk, or anomaly is suspected, subject to reporting to the Board Chairperson and appropriate governance channels.

14.4 Board Response

Material audit findings, review findings, or control weaknesses must be considered by the Finance Committee and Board, with corrective actions tracked.

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15. Conflict of Interest in Financial Matters

15.1 Duty to Disclose

Any person involved in budgeting, procurement, contracting, approval, banking, payment, asset control, or financial reporting must disclose any real, potential, or perceived conflict of interest immediately.

15.2 Reporting Route

Conflicts shall ordinarily be disclosed to the Treasurer.

Where the conflict involves the Treasurer, the disclosure must be made to the Chairperson and Board Secretary, or to another Board-designated ethics or governance authority.

15.3 Recusal

A conflicted person must not:

- participate in supplier selection;
- approve the budget item in question;
- authorise the transaction;
- release payment;
- influence deliberations improperly; or

- access confidential competitor information beyond what is necessary and lawful.

15.4 Record of Conflicts

Relevant conflicts and their management must be documented in the conflict register and reflected appropriately in meeting records, subject to confidentiality requirements.

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16. Fraud Prevention, Irregular Expenditure and Whistleblowing

16.1 Prohibited Conduct

The following are prohibited:

- theft or misappropriation of funds or assets;
- fraudulent claims or invoices;
- forgery or falsification of records;
- unauthorised expenditure;
- concealment of transactions;
- invoice splitting to evade thresholds;
- bribery, kickbacks, or improper gifts;
- abuse of approval authority;
- deliberate budget misrepresentation; and
- non-disclosure of conflicts of interest.

16.2 Duty to Report

Any person who becomes aware of suspected financial misconduct, fraud, theft, or serious irregularity must report it promptly through an authorised channel.

16.3 Protection of Good-Faith Reporting

No person acting in good faith shall suffer retaliation for reporting suspected financial misconduct.

16.4 Investigation and Interim Measures

YALPAE may suspend payments, restrict access, or impose other interim safeguards while an investigation is underway, subject to fairness and due process.

16.5 Recovery and Consequences

Where misconduct or unauthorised expenditure is confirmed, YALPAE may take one or more of the following actions:

- require explanation and corrective action;
- recover funds;
- reverse or stop a transaction where possible;
- impose disciplinary measures under applicable policy;

- remove delegated authority;
- refer the matter to the Board, law enforcement, or regulators where appropriate; and
- seek legal recovery where necessary.

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17. Chapters, Programmes and Project Funds

17.1 Applicability

All chapter, programme, and project funds are subject to this Manual unless the Board expressly approves a compliant supplementary procedure.

17.2 Reporting

Chapters and programme leads must report all financial activity into YALPAE's central financial system or reporting framework.

17.3 Local Fundraising and Spending

Chapters may only raise or spend funds in YALPAE's name:

- with delegated authority;
- within approved budgets or approvals;
- in compliance with central policy; and
- subject to reporting and documentation requirements.

17.4 No Independent Legal Separation

Unless the Board lawfully establishes otherwise, chapter funds remain YALPAE funds and do not belong personally to local leaders or members.

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18. Investments, Reserves and Financial Sustainability

18.1 Investments

Any investment of surplus funds must be:

- mission-consistent;
- prudent;
- approved by the Board; and
- subject to documented risk review.

18.2 Reserves

The Board may establish reserve funds for sustainability, emergencies, growth, or programme continuity.

18.3 Use of Returns

Investment returns may be applied to operations, scholarships, programmes, reserve strengthening, or reinvestment, in line with Board approval and donor restrictions where applicable.

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19. Discipline and Integrity Fund

Where fines or financial sanctions are lawfully imposed under YALPAE's disciplinary framework, such amounts shall be accounted for transparently and allocated to the Discipline & Integrity Fund or another Board-approved purpose consistent with the Constitution.

Use of such funds must be documented and reported.

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20. Breach of Policy

20.1 Non-Compliance

Failure to comply with this Manual constitutes a governance and disciplinary matter and may result in:

- corrective instruction;
- withdrawal of delegated authority;
- repayment obligations;
- internal discipline;
- suspension from financial responsibilities;
- removal from office or role where appropriate; or
- external referral where required.

20.2 No Waiver by Informality

Past informal practice does not override this Manual.

No verbal assurance, personal relationship, urgency, or historical custom may justify non-compliance unless the Board lawfully approves an exception.

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21. Delegations and Operational Procedures

The Board may approve supporting financial procedures, templates, forms, banking instructions, or operational notes to implement this Manual, provided they remain consistent with:

- the Constitution;
- the By-Laws;
- this Manual; and
- the Procurement Policy.

22. Review and Amendment

This Manual shall be reviewed at least annually, or sooner where:

- the law changes;
- YALPAE's operations materially expand;
- audit findings require amendment;
- governance changes require revision; or
- the Board directs a review.

Substantive amendments require Board approval.

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23. APPROVAL AND CONTROL MATRIX

A1. Financial Approval Matrix

- **Up to R2,000**: Executive Director / Manager or Board-designated operations lead
- **R2,001 to R20,000**: Executive Director / Manager or Board-designated operations lead **and** Treasurer
- **R20,001 to R100,000**: Finance Committee approval or resolution, recorded
- **Above R100,000**: Full Board resolution, minuted

A2. Procurement Process Matrix

- **Up to R5,000**: One written quotation
- **R5,001 to R50,000**: Minimum three written quotations
- **Above R50,000**: Formal tender or Board-approved equivalent process

A3. Payment Release Controls

- Minimum of two authorised persons involved
- No self-approval
- No payment where supporting documents are incomplete
- No payment where a declared conflict has not been resolved
- Approval to spend does not equal automatic payment release

A4. Minimum Required Supporting Documents

- approved request or budget line;
- quotation, invoice, or contract;
- proof of goods or service received where applicable;
- approval record at the correct threshold;
- banking or payment evidence; and

- filing reference.