

The mine fields of finances

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DIE VERANDERING IN ONDERWYS
THE CHANGE IN EDUCATION

Employment arrangements

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Statutory requirements

- Control over duties
- Use of infrastructure
- Legislation
 - Basic Condition of Employment Act
 - Schools Act
 - Employment of Educators Act
 - Personal Administration Measures
 - Income Tax Act
 - Unemployment Insurance Fund Act
 - Occupational injuries and disease Act
- Contractual arrangements



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Obligations

- Ensure compliance to statutory requirements and legislation
- Ensure fair and equitable treatment
- Deductions and payment of statutory amounts



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Mine fields

- When is an individual employed?
- Section 18A with Income Tax Act with PAM with EEA
- Remuneration vs benefit vs fringe benefit
- Income tax legislation
- Submission of returns
 - PAYE
 - UIF
 - WCA
 - IRP 5's



Taxation for schools



Statutory requirements

- Income tax act
 - Trading activities taxation
 - Employee taxation
- Value Added Taxation Act (VAT)
 - Turnover in excess of R 1 000 000 trading income not directly related to educational activities



Obligations

- Registration as a NPO in terms of S18A of the ITA
- Annual income tax return submission and assessment
- Compliance to legislation and regulations for NPO / PBO in RSA
- Register of donations kept and submitted
- Issue of S18A donation certificates
- Registration for VAT if needed and proper accounting thereof
- Compliance to legislation in terms of Employee Tax (PAYE)
 - Deductions, declarations and payment of employee tax
 - Bi-annual IRP 5 submissions



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Mine fields

- Technical expertise are required
- Changes is constant
- Non compliance is punishable
 - Partial of full taxation
 - Penalties
 - Interest
 - Imprisonment
- Personal responsibility
- When is a group registration allowed?
- Requirement to comply to for a PBO/NPO
- Standard Exemption – 5% or R 200 000 of receipts
- Substantially the whole – 85%
- Money laundering



Accounting policies and procedures



Statutory requirements

- Schools Act
- Common law
- Provincial departmental requirements
- Financial reporting requirements



Obligations

- SGB to compile policies and procedures
- SGB to consider and approve
- SGB to implement
- SGB to monitor
- SGB to enforce
- This may be delegated to principal and accounting officer of school
- Responsibility is that of the SGB



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Mine fields

- Relevance to the school
- Requirements of the Department
- Implementation and measurement
- React and respond to changes in operations, legislation and regulations
- Oversight and reporting
- Enforcement of control environment



QUESTIONS ?



THANK YOU

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