

National Sea Rescue Institute of South Africa “NPC”

Registration No 1967/013618/08

“the Institute”

Supply Chain Procedures V3:

Incorporating:

- Part A: Budgeting
- Part B: Procurement
 - Credit cards, Fuel cards and Cash
- Part C: Dispatch & Courier
- Part D: Asset Registers
- Part E: PPE

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INTRODUCTION

The CEO is responsible for the effective and transparent use of donor funds and NSRI assets. This is achieved with due regard to efficient budgeting, as well as maintaining a system which prevents opportunities for fraud. This document outlines the process of managing financial and procurement matters, including budgeting, procurement and payment processes to ensure smooth station and institutional operations.

Part A: BUDGETING

Each year there is a budget process to plan and ensure that the institute spends within the available funds. This allows for a regular financial communication and control discussion between stations and head office. In the 4th Quarter of each year, stations are given draft (pre-populated) budgets along with the actual station expenses for the first 6 months of the current year.

Stations are encouraged to review this budget, and plan and discuss it amongst the station committee to ensure the stations goals and vision for the following year is met, in regards to income, capital expenditure and operational expenditure.

These budgets should be submitted by the end of October, so that head office can collate all the station budgets, as well as review and adjust, for final approval by the Governance board in December. The final approved budget is then sent back to station, and this is the version that stations should refer to for the year.

Note that budgets even though “approved” are not automatically deemed as permission to spend or go ahead with ordering. Approval for individual spends must still be requested through the procurement officer and approved by the operations manager as per the below. Aspects such as cash flow, monthly income and operational opportunities (e.g. donations / discounts) are taken into account before issuing any order number and payment.

Part B: PROCUREMENT - MAKING PAYMENTS & ORDERING EQUIPMENT

The below table summarises the key processes and amounts with regard to purchase / request amounts for equipment / services (Please check latest rates sheet for updates approval limits).

Amount	Suggested Method of Payment	
0 – R5 000	Petty Cash / Station Credit Card Buy and Claim on Station authorisation	
R5 001 – R 15 000	VERBAL / Email Quotes (3 quotes –to ensure good governance) Order number	NB: 3 QUOTES UNLESS: •Sole provider •Preferred supplier (simple documented agreement in place (copy with head office) •Have already tested the market / valid reason
R15 001 – R500 000	FORMAL Quotes (3 quotes –to ensure good governance) Order number	
R500 001 +	Capital Expenditure Formal Process –Tender/bid	

1. Sundry Purchase Amounts < R5000

1.1. Station Credit Cards:

Credit Cards have been issued to stations to reduce out of pocket expenditure and reduce the admin of petty cash reimbursements.

1. Credit cards are issued in the name of the Station Commander, and are topped up by the finance department as necessary, within the allocated budget.
2. The Station Commander may authorise the purchase of items on this card, up to the specified limit (usually R 5000). A single transaction may not be over R 1000.
3. Receipts must be submitted to HQ monthly. Scans are acceptable.
4. Receipts are reconciled against the card statements for the station, and the station income statement adjusted accordingly.

Use of the Station Credit Card:

- This credit card is to be used for the purchasing of basic canteen and cleaning supplies, i.e. tea, milk, disinfectant, dishwasher, etc. – as per the approved budget.
- It is **not** to be used for the purchase of social beverages, refreshments, meals or entertainment purposes (except with the prior approval of the operations manager for sanctioned events).
- Each use of the credit card, or cash payment is **only permitted on the Station Commanders authorisation. The final responsibility and accountability rests with the Station Commander.**
- This card may be used for the refueling of generators and tractors, **only if they do not have their own specific fuel cards.**

1.2. Cash:

- Some outlets do not accept credit cards, and in some circumstances it is inconvenient not to have crew purchase items.
 - For this reason, there is a facility on the credit card which allows one to draw cash.
- If cash is drawn with the credit card, the station should create and maintain a petty cash system in addition to using the credit card.

1.4. Personal Expense Claim:

- If any crew spend money out of their own pocket (for StatCom pre-approved purposes), this can be claimed for using the expense claim form (available on e-learning system), up to the R 5 000 limit.
- This form must be submitted to the finance manager along with banking details.

2. Purchasing Fuel

Station Fuel Cards:

- These fuel cards are **only** to be used for NSRI vehicles and boats that they are allocated to.
- Each time the fuel card is used, the crew member who refuels the vessel / vehicle must print their name on the receipt, as well as note the vehicle name and/or boat rescue number (i.e. John Smith, Rescue 01). These receipts are to be e-mailed or delivered / couriered to head office, monthly.
- Each station is issued with fuel cards as follows (where applicable):
 - a) A rescue vehicle fuel card (not for tractors or quads)
 - b) A boat petrol fuel card (used for all petrol fuelled vessels)
 - c) A boat diesel fuel card (class 1 vessels only)

All station fuel purchased on these cards will be compared with data regarding rescue unit usage in the MIS for audit and control purposes.

Fuel reimbursements to crew for private travel **may not** be made via these fuel cards, but rather by the expense claim form as above.

3. Slips

Please send all invoices and slips of cash, fuel and credit card transactions to head office.

- Slips, receipts and delivery notes must be submitted to the finance manager every month in order to allow head office to process the VAT claims (i.e claim VAT back). They can be emailed, delivered or couriered.
- Persons using the card, or cash must state their name, station number and sign each slip – so the spend can be traced to an individual for audit and control purposes.
- Receipts are reconciled against the Credit Card Statements for a Station, and the Station expenditure account is then adjusted accordingly.

At the beginning of each month, the credit card statement will be sent to the Station Commander. Each transaction on the statement must be checked and reconciled to make sure it tallies with the actual purchases made, and that no unauthorised use / fraud is undertaken.

4. Requesting of goods from head office store

Head office stocks various items of equipment where we buy in bulk and negotiate discounts as well as for the convenience of speedy delivery to station.

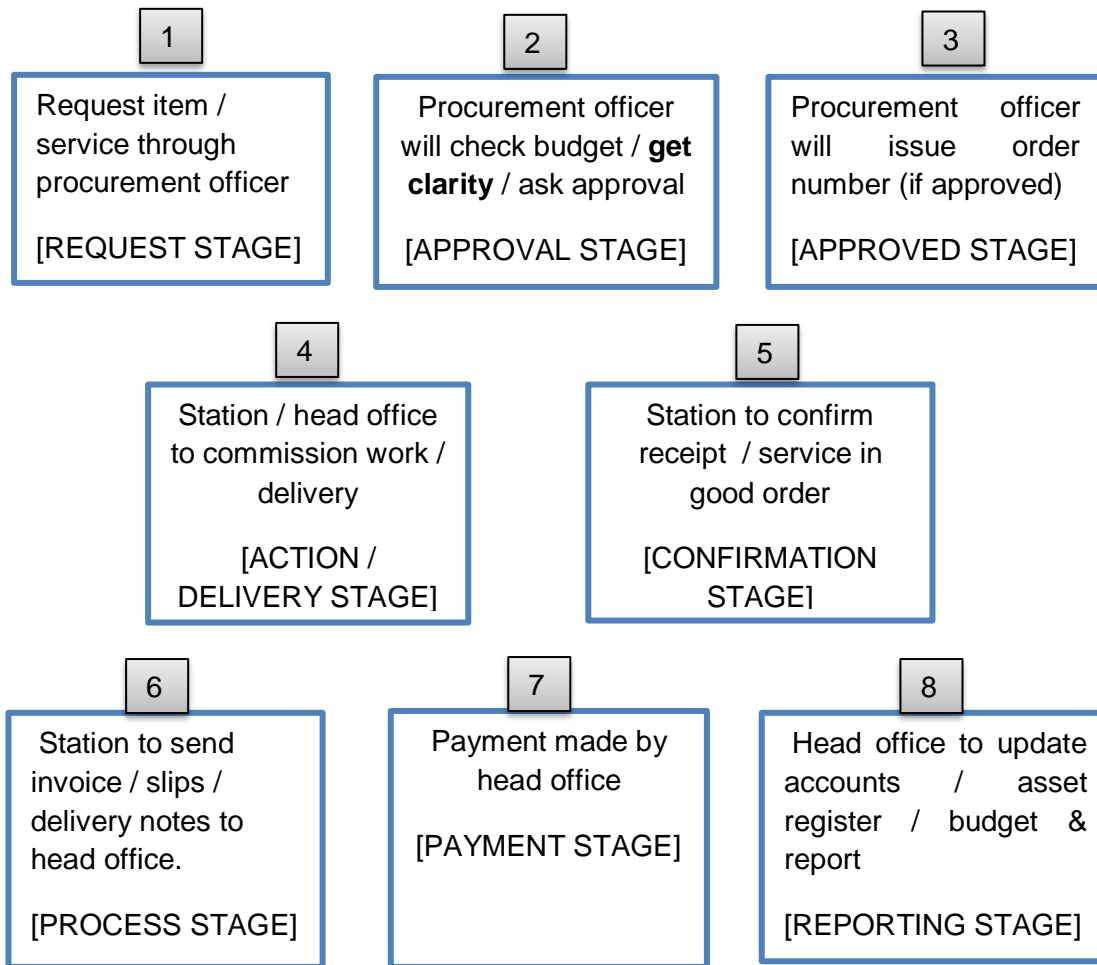
A short list includes: Crew clothing, batteries, task books, medical consumables, O₂. A full catalogue can be seen on the NSRI Shopify store (www.nsri.org.za/shop). For stations further away from head office, certain items are uneconomical to courier (batteries / flares), so local arrangements should rather be made with suppliers.

The process to request is:

1. The Station Commander or approved person on station places their order for the specific item on Shopify. For items not on Shopify, an email is to be sent requesting such item to procurment@searescue.org.za.
2. The following information should be noted on the request to make the service as efficient as possible, and to reduce unnecessary communication:
 - a. The equipment or service required - clearly described (e.g. Crew Golf Shirt - medium)
 - b. The name & station number of the requesting station, as well as the name, cell number & email address of the station contact person,

- a. Brief Motivation.
- b. Once the item has been received by the station in good order, please let the procurement officer know.
- c. The station asset register will be updated by head office.

5. Requesting of non-store items and services of over R 5000



5.1. Procurement via head office

The process to request is:

1. The Station Commander or approved person on station must submit a request for any goods or services, with a reasonable motivation by email to procurement@searescue.org.za

(Our auditors prescribe that any request must have documented proof, and as such, telephonic, SMS or WhatsApp requests are not valid requests, and won't be served).

2. The following information should be noted on the request to make the service as efficient as possible, and to reduce unnecessary communication:
 - a. The equipment or service required - clearly described. If a specific piece of equipment or consumable item is required, the station must supply the procurement officer with the specifications of the item and confirm in writing that the sample provided is correct and that the procurement of the product can commence. (e.g. 6.5 KW Honda generator).
 - b. The name & station number of the requesting station, as well as the name, cell number & email address of the station contact person,
 - c. A brief motivation, as well as 3 verbal / emailed quotes (if <R 15 000) or 3 formal quotes (if >R15 000). Quotes require the name and details of supplier.

Quotes are not required if head office has a supply agreement in place with an already established supplier.

- d. An order number will then be generated by the procurement officer, after approval by the operations manager.
- e. Once the item has been received either by head office or the station in good order – the delivery note and invoice must then be sent through to the finance manager for payment.
- f. Inform the procurement officer if an item needs to be removed or added to the asset register.

5.2. Repairs of equipment by head office

- a. Equipment brought in for repairs must be accompanied by the details of the fault or repairs to be done, clearly labelled on the item.
- b. If the equipment is broken then an incident report must be completed for any damage amounting to more than R1000.
- c. The equipment must be delivered by courier (DHL) to Head Office care of the procurement officer.
- d. All accessories to a piece of equipment or machine must accompany the machine, as this is needed by the technicians to test the machine.

5.3. Procurement by the Station (Items over R 5000)

- a. For goods / services from non standard suppliers – a station will require three written quotes.
- b. The operations manager will approve the appropriate quote and request that the procurement officer to issue an order number.
- c. The station may then proceed with the procurement and the company must invoice the NSRI via email to the procurement officer.
- d. An email must be sent to the procurement officer confirming that service is completed to satisfaction, or that goods are received in working order, so that payment may then be authorised.

- e. The finance department will then process payment accordingly (usually made within the week).

If a service is required (e.g. Building project, cleaning, fumigation etc.) the station must supply the procurement officer with complete specifications as to the service required and must attend any site meeting necessary. The station commander (or his delegated project manager) will also be the contact person for any queries by the potential bidders. The end user must also monitor the progress of the project and sign the job card at the completion of the project.

Any invoices received for goods that were delivered or collected for which no order or authorisation was created **will not be paid by the NSRI**. The account will be the responsibility of the person who collected or placed the order without authorisation. (This includes unauthorised medical treatment or hospitalisation of crew).

5.4. Emergency orders & equipment repairs

If equipment is sent in for emergency repairs and a quotation cannot be obtained before the item is opened and examined for a quote then the procurement officer must be contacted immediately with a brief explanation to arrange an order number with authorisation from the operations manager.

If an emergency order or repair (after office hours) is required the Station Commander or official who needs the goods must contact the operations manager for authorisation. The operations manager will request the procurement officer to create an Order Number on the first working day following the request. The requester must also then submit the necessary documents (or report of what needs to be repaired and who the repair agent is) as requested by the procurement officer.

6. General

- If a station has concerns with regard to the above procedure, this should be brought to the immediate attention of the Operations Director or CEO by personal phone call.
- Any complaints about an item may be reported by telephone or email to the procurement officer.
- Replacement of base PC, GPS, Radios, obsolete equipment, etc. must always be returned to head office for disposal & proper recycling.

For items disposed of at base – please remember to dispose of responsibly.

Part C: DISPATCH & COURIER

NSRI is very fortunate to have DHL as a platinum partner. This means that all of our courier costs between head office and stations are sponsored by them – to a very large value each year.

The arrangement of DHL is made through the NSRI reception, while the relationship, as well as more involved processes (foreign goods import) is handled through the fundraising department.

Despite the free offer, it is very important to ensure we do not abuse the courier service, and as such, the following should be attended to:

- Decide if the item to be couriered is urgent. If it can wait, or be sent with another item a while later – then do so.
- Be aware if any volunteers / head office personnel are travelling to or from head office and the station. If this is the case – then rather ask them to drop it off, or collect (where feasible).
- DHL does not transport batteries, liquids, flares and pressurised cylinders. These are transported by road freight (a different company – at a cost). For certain stations, this means that it is more feasible to procure various items locally.
- Orders through Shopify have a option for a faster delivery (if courier fees are chosen by the individual wanting to receive goods. Alternately – dispatch is made on two days of every month).

Part D: ASSET & INVENTORY REGISTERS

The NSRI maintains asset and inventory registers for the following reasons:

- Good donor accountability and transparency
- For insurance purposes & possible replacement due to loss (fire / theft / damage)
- For good accounting control and reporting
- For planning purposes

Station Asset Registers are maintained by Head Office, using Microsoft Nav (an accounting programme). Station Inventory Registers are maintained using a Microsoft Excel Programme.

Assets are defined as anything with a value of R 7000 or more.

For any new items that are procured by head office – these will be automatically added to the asset or inventory register by head office personnel.

For any items on base that are donated as is (e.g. someone drops off a new generator), please send the procurement officer an email with the information so that the asset register can be populated.

For items that are lost or stolen – this should equally be reported so that the asset register can be updated.

Every year in June – the Asset register will be sent to station for an asset reconciliation. This is a form of stock take to make sure that all equipment has been added or removed since the last asset count.

When doing the asset reconciliation – follow these principles:

1. Imagine if everything was stolen, or the base burnt down. What is it that you would want to be replaced?
2. If it is a consumable item (e.g. flares, oils, cleaning materials) - it does not need to be counted.

As a guideline: consumable are defined as: If it lasts less than 12 months, or is less than R500.

3. Remember to include your big assets: (e.g. base building itself, trailers / dolly / vessels and vehicles). For trailers / vehicles – please include the license & VIN no.
4. For first aid items: include only items that are not consumable in nature: e.g. spine boards, AED, vacuum mattress. List jump bags as such - not the entire contents.
5. For capsized bottles - list it as such - don't list contents inside it. It would be replaced as per items on survey list.
6. Serial numbers - Please try get these, except where it is not feasible / possible to.
7. For things like cups, utensils, etc. - Just do a count and put the number of items, or rather just put down "set", rather than specific count).
8. For costs / date of purchase - leave blank, unless you specifically know the value.

Part E: PERSONAL PROTECTIVE EQUIPMENT & CLOTHING

1. Purpose:

Sea Rescue values the input and service of its volunteer crew. Historically we have shared personal items such as wetsuits, booties and helmets as part of a pool system, and as the organisation has evolved, we now issue all qualified, sea-going crew participating on wet vessels their own gear as per the below:

2. Near-body kit (kit which is in contact with skin)

All qualified & regular sea-going crew members (i.e. to sea at least 1 per month) are entitled to the use of a Sea Rescue wetsuit, gloves & booties – which is for their personal on-duty use only (i.e. not shared). This is intended for crew who participate actively on the open-decked vessels, where a wetsuit is normally worn..

Trainees are entitled to the use of an equipment pool, which is made up of older wetsuits, which either do not fit qualified crew any more, or have been left behind by resigning members. Any others must be ordered via the procurement system (Part A above).

The PPE, even though allocated to a crew person – remains the property of the rescue station. Upon resigning as sea-going crew – the kit must be returned to the station – for use in the trainee pool.

This PPE must only be used for official Sea Rescue duty (like all NSRI uniform). It is not to be worn for non-NSRI activities, or private purposes.

The gear must be managed by a designated person on station. The StatCom is in overall responsibility for the correct care, use and brand aspects of the kit (even though it is allocated to individuals).

3. Helmets, lifejackets & foul weather gear:

This will be provided for by the rescue base, and remains in a pool system – available to the duty crew for training or operational purposes. These items are not available for purchase. Branded gear may only be used for official Sea Rescue activities.

The responsibility for implementing this rests with the StatCom.

Process:

- A. The MIS has a facility to track equipment issued per person.
- B. Any kit which is lacking – should be ordered via the normal procurement system.
- C. Older kit, or kit left behind after crew leave – should be allocated to the trainee pool.
- D. The procurement department will monitor and allocate the equipment issued to a station or person – therefore the crew person it is requested for must exist on the MIS.
- E. Upon qualifying – crew are entitled to place an order through the designated person on station. If custom sizes are requested – the crew person may be responsible for paying for the extra charges, effort & risks for this facility.

4. Taking good care of our kit:

Kit must be cared for as well as all station equipment. Even though it is issued to a person, it is still NSRI property. Look carefully at the care instructions for the kit – and ensure the crew receiving the kit know the correct care procedures. (Correct water temp for wetsuits, non-abrasive detergents for all PPE.)

Because the kit is allocated to one person – it should last longer – as it would be used less frequently than when in a pool. The StatCom is responsible for deciding when the kit has faded or worn out (brand and image protection, vs. cost control), – and the designated station person will make arrangements for replacement, through the Shopify system.

Any kit that gets damaged will be replaced as per the procurement department recommendations.

5. NSRI clothing & uniform:

5.1. Clothing can be ordered via the Shopify site. Free deliveries are made once a month for the entire station, or individual deliveries can be arranged (at a fee paid by the individual). The person on station delegated the responsibility to manage the clothing, should consolidate the orders made via Shopify.

5.2. Clothing will be dispatched on the 14th or 30th of each month, between February and November.

5.3. NSRI Volunteers are currently issued the following free uniform upon qualification:

- Trainee: 1 x Free Trainee T shirt upon joining.
- Crew: Free t-shirt, golf shirt, cap & shorts, rash vest, jump suit upon qualifying.
- Coxswain: Black windshell jacket upon qualifying.

Replacement cycles going forward depend on available funds, and as per reasonable replacement cycle. Clothing that volunteers wish to buy, over and above the free issue, is done as per point 5.1 and 5.1 above.

/...ends