

Equestrian Qualifications Authority of Southern Africa (EQASA)



YARD MANAGEMENT AND FINANCE

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ORDERS

1. Obtain Quotes – telephonic
2. Place order and confirm delivery
3. Complete Order Book and fax/email if necessary
4. Check goods delivered – correct quantity and quality
5. Sign delivery note when goods received
6. File copy order and delivery note

PETTY CASH

1. Purchase lockable petty cash box
2. Write each entry in a petty cash book (payments made and cash reimbursed)
3. Must keep purchase slip for each item bought and file them
4. Keep a cash float and reimburse it regularly

BOOKS REQUIRED FOR RECORD KEEPING

1. Cashbook - Records payments made and receipts
2. Petty Cash Book - Records cash on hand used and reimbursed
3. Order Book - Records orders placed with suppliers
4. Receipt Book - Records payments received by clients (stabling, lesson fees etc.)
5. Invoice Book - Supplied to clients to advise them of monies due (stabling, lesson fees etc.)
6. Deposit Book - Records cash or cheque deposits made to bank account
7. Wage Register - Essential to keep records of all employees' weekly wages, deductions, loans, leave etc.
8. Salary Register - Essential to keep records of all employees' monthly earnings, deductions, loans, leave etc.
9. Ledger - Records all entries from all other books in categories (type of summary of all expenses and income)
10. Accident / Incident Book
11. Daily Diary - For all bookings of lessons, vet, farrier, meetings, feed orders etc.
12. Record Book - Records history of horse's feet (farrier), teeth, illnesses, temperatures, deworming etc.
13. Files - Necessary for all documents, to be kept in a user friendly order (eg. by date or reference number)
14. Telephone Book - Shows all contact numbers of clients, staff, suppliers, vet, farrier, dentist etc.
15. Cheque Book

INSURANCES

1. Compulsory Cover :-
 - 1.1. COIDA (Compensation for Occupational Injuries and Diseases Act) (Formerly WCA). For when an employee injures himself at work or contracts a disease caused by substances or agents that the employee is exposed to in the workplace.
 - 1.2. Unemployment Insurance Fund (UIF). Both employee and employer pay 1% of wages/salary into fund monthly and the employee can then claim upon retrenchment.

2. Other optional insurance depending on budget :-
 - 2.1. Public Liability Insurance (if an employee or client sustains an injury or loses property at riding school and if riding school is negligent, this policy will cover if client sues).
 - 2.2. Fire Insurance.
 - 2.3. Storm damage Insurance.
 - 2.4. Theft of contents of building (tack, computers, feed etc).
 - 2.5. Vehicle insurance (cars, bakkies, horseboxes, tractor).
 - 2.6. Theft of cash on premises (usually not enough cash held to justify insurance excess to be paid).
 - 2.7. Professional indemnity insurance (towards costs if a client sues you for negligence in your business). Eg. On a stud farm, the wrong stallion may cover a clients' mare or an instructor is responsible for schooling or backing a clients' horse and he/she is negligent, resulting in the horse's injury or death. Note, negligence within their professional capacity has to be proven first.
 - 2.8. Loss of income insurance.
 - 2.9. Third party motor insurance. Covers you if you have an accident and have to pay for the other person's vehicle damage and will possibly cover the other person's injury costs depending on type of policy you have paid for.

STAFF WAGES OR SALARIES

1. A staff member will either be paid a weekly wage or a monthly salary.
2. Each wage or salary that is paid needs to have certain deductions made before paying the balance to the employee.
3. These deductions are to be paid over to the various government departments monthly and it's your responsibility as the employer to do so.
4. Deductions are the following :-
 - 4.1. UIF (Unemployment Insurance Fund) See above.
 - 4.2. PAYE (Pay As You Earn) This is tax due and the amount is looked up on tables issued by SARS according to how much the employee earns.
 - 4.3. Pension (some employers contribute into a pension fund for their staff as part of their salary).
 - 4.4. Medical aid (some employers belong to a medical aid scheme and receive the benefit of reduced medical contributions for group membership).
 - 4.5. Unpaid leave (if a staff member takes more leave than he is due then those extra days have to be deducted from their pay)

EMPLOYMENT CONTRACTS

1. All staff employed must be given an employment contract and a copy must be kept on file.
2. This contract clarifies the employee / employer commitments as below. It must state :-
 - 2.1. The wage or salary amount and deductions.
 - 2.2. Any possible bonuses.
 - 2.3. Any benefits e.g. housing or rations.
 - 2.4. Overtime rates and expectations.
 - 2.5. The full job description, duties and expectations.
 - 2.6. The hours of work.
 - 2.7. Number of leave days (15 working days per year) and all public holidays
 - 2.8. Number of paid sick leave days (12 days per year i.e. 1 day per 21 days worked) Only valid if worked for 6 months or more. A doctor's certificate must be produced for sick days taken.
 - 2.9. Family responsibility leave (3 days per year)
 - 2.10. Probation (trial) period (usually 3 months).
 - 2.11. Possible supply of work clothing.
 - 2.12. Termination requirements (usually 1 months written notice from either party) or employer may elect to make payment in lieu of notice.
 - 2.13. Terms of dismissal.
 - 2.14. Any staff training and promotion opportunities.

PROCESS OF HIRING EMPLOYEES

1. Ask for the candidate's CV and go through it before the interview.
2. Make sure you get certified copies of their qualifications.
3. Ask for previous employment references.
4. Do they belong to a trade union and if so, which one ?
5. Conduct an interview having prepared questions that will give you a good insight as to whether the candidate is suitable for the position for example :-
 - 5.1. What is their previous experience?
 - 5.2. What are their expectations from the job?
 - 5.3. What motivates them and why are they pursuing this particular career?
 - 5.4. Own transport?
 - 5.5. Supply of accommodation?
 - 5.6. Salary requirements?
 - 5.7. Self motivated and would like opportunity for promotion?
 - 5.8. It's important to be clear and relay to him / her your expectations from the candidate and the job required.
 - 5.9. Allow the candidate to ask questions too.
6. You must verify that the candidate has no criminal record.
7. Request to see valid driver's license and ID or work permit if they are an immigrant.
8. Upon employment, request emergency numbers of family.
9. Write up a letter of appointment.

WHAT TO LOOK FOR IN A POSSIBLE EMPLOYEE CANDIDATE

1. Good track record (no job jumping).
2. Knowledge of the job required.
3. Motivated and uses initiative.
4. Trustworthy.
5. Passion for their choice of job.
6. Good interaction with clients and fellow employees.
7. Reliability.
8. Fair.
9. Willing to learn.

FAVORABLE WORKING CONDITIONS

1. Favorable working conditions are important for any employee and employer as it is in their best interests to keep staff and maintain a mutually happy and respectful environment.
2. Some positive working conditions are as follows :-
 - 2.1. Staff being allocated jobs that are best suited to them where possible.
 - 2.2. Fairness.
 - 2.3. Acknowledgement of extra effort or accomplishments.
 - 2.4. Possible bonus structure.
 - 2.5. Have an annual or 6 monthly employee evaluation/progress meeting.
 - 2.6. Regular meetings to inform/update staff of any changes or requirements for running yard.
 - 2.7. Commitment to agreements as laid out in employee contracts.
 - 2.8. Keeping channels of communication open on both sides (don't just talk but listen too).
 - 2.9. Skills development / training.

PROCESS OF DISMISSAL

To obtain an accurate and up to date process of dismissal it would be advised to contact the Department of Manpower or Labour Relations. This is a fairly extensive process starting with verbal and written warnings before further action can take place.

Both parties need to be aware of their rights and obligations in order for this process to run smoothly.

Warnings need to take place in front of witnesses and be documented and signed by both parties.

THE LAW

When starting up or managing a yard, make sure that you are familiar with the local bylaws and that you have the address and contact numbers of your local animal societies :-

1. Municipal Regulations regarding size of property per horse allowed (1 Hectare per horse).
2. Manure removal regulations.
3. Is property zoned for business?
4. Animal Welfare.
5. Cart Horse Protection Association.
6. SPCA.

OCCUPATIONAL HEALTH AND SAFETY

Contact the Department of Labour to educate yourself on the latest Occupational Health and Safety Act.

All employers should ensure that they have a safety check of their premises done by a safety officer to make sure that they comply with the regulations in the act.

More information can be obtained on www.labour.gov.za, under occupational health and safety code of practice 2008.

SOME extracts from the Occupational Health and Safety Act (No.85 of 1993) are:-

1. General duties of employers to their employees :-
 - 1.1. Every employer shall provide and maintain, as far as is reasonably practicable, a working environment that is safe and without risk to the health of his employees in particular.
 - 1.2. The provision and maintenance of systems of work plant and machinery that, as far as is reasonably practicable, are safe and without risks to health.
 - 1.3. Mitigate or eliminate any hazard or potential hazard to the safety or health of employees before resorting to personal protective equipment.
 - 1.4. Providing information, instructions, training and supervision as may be necessary to ensure, as far as is reasonably practicable, the health and safety at work of his employees.

2. General duties of employers and self-employed persons to persons other than employees :-
 - 2.1. Every employer/self-employed person shall conduct his undertaking in such a manner as to ensure, as far as is reasonably practicable, that he and other persons who may be directly affected by his activities are not thereby exposed to hazards to their health or safety.

3. Two examples of cases involving deaths or injuries of persons whilst working and for which investigations were held :-
 - 3.1. Worker dies after horse truck door falls on him – 4 August 2009
According to the reports, a cable which holds the back door of the truck came loose and fell on the deceased who sustained head injuries and died on the scene at the time of the accident.
 - 3.2. Three workers were killed and four others seriously injured when a building they were renovating collapsed on them in Stellenbosch in June 2008.

ENSURE THAT YOUR PREMISES ARE SAFE AND THAT ALL THE SAFETY PRECAUTIONS MENTIONED IN THE OCCUPATIONAL HEALTH AND SAFETY ACT ARE COMPLIED WITH.

4. SOME examples of safety checks for yards are :-
 - 4.1. Ensure that fire extinguishers are installed.
 - 4.2. Ensure that yard vehicles are roadworthy and regularly serviced.
 - 4.3. Do maintenance of all yard facilities – fences, buildings, arenas, surfaces etc.
 - 4.4. Equipment being used must be in good working order and the user must be fully trained to use that specific equipment.
 - 4.5. Employers and employees should have up to date first aid training and well equipped first aid facilities should be available on the premises.
 - 4.6. Ensure that all persons working with horses wear safety hats, closed shoes and gloves.
 - 4.7. Ensure that there are no slippery surfaces at your yard
5. In addition, further information regarding OHS Act can be obtained in your set work book “The BHS Complete Manual of Stable Management – Consultant Editor Islay Auty”, publisher Kenilworth Press, refer pages 380-383.

BUDGETING

A budget is essential for any business practice. It is a forecast of how much income is expected to come into your business and how many expenses will be paid out against that income. If your expenses exceed your income, an adjustment to your budget and/or running of your yard is necessary.

Example of 1 month's budget of a yard (amounts shown are inaccurate and are not a true reflection of actual costs) :-

INCOME		EXPENSES	
18 Livery Clients @ R2500	R 45000,00	Feed for 18 + 5 ponies	R 18400,00
5 Private lessons/week @ R180 on client's own horses	R 3600,00	Feet (average per month over year) 5 school ponies	R 2070,00
1 Show proceeds	R 2000,00	Vet for 5 school ponies (average per month over year)	R 500,00
1 Hire of premises	R 1000,00	Vaccinations for 5 ponies (average per month over year)	R 625,00
Tuck shop profits	R 1500,00	De-worming for 5 ponies (average per month over year)	R 220,00
10 Group lessons/week @ R100 (5 children) on school ponies	R 20000,00	Maintenance of tack & blankets (average per month over year)	R 800,00
Schooling a horse for client/month	R 500,00	Maintenance of fencing (average per month over year)	R 400,00
		Maintenance of arena surface (average per month over year)	R 500,00
		Painting of buildings (average per month over year)	R 900,00
		Electrical and plumbing repairs (average per month over year)	R 400,00
		Electricity	R 3500,00
		Telephone	R 900,00
		Rent or bond repayments	R 15000,00
		Interest on bond	R 1900,00
		Petrol	R 3000,00
		Vehicle/bakkie maintenance (average per month over year)	R 600,00
		Insurances	R 1800,00
		Salaries & Wages	R 10500,00
TOTALS	R 73 600,00		R 62 015,00

Therefore you make R 11 585.00 profit for the month, on which you need to pay company tax as well as VAT (if income goes over R1M per annum) and you still need to draw a salary for yourself.

Clearly this budget will need some adjusting. Income will need to be increased or expenses will need to be reduced.

VALUE ADDED TAX (VAT)

Every business generating an income of R 1 000 000.00 per year or more must be registered for VAT with South African Revenue Services (SARS).

VAT is claimed back from SARS on purchases made from VAT registered vendors and is paid over to SARS on income generated by the business.

VAT must be paid over to SARS every second month after working out the net amount payable.

VAT is levied at 15 %.

EXTRA INCOME GENERATING OPTIONS

Some examples of ways to increase your income include :-

1. Local schools to do tour groups.
2. Run theory courses.
3. Local businesses to sponsor jumps, t-shirts, signage, shows.
4. Host family events such as braai's or picnics, dog shows, quiz evenings with prizes, talent contests etc.
5. Offer riders to visit other equestrian related businesses for a fee.
6. Horse and rider fancy dress competition.
7. Sale of refreshments to weekend riders.
8. Half lease school ponies if they are not used enough.
9. Host equestrian video evenings.
10. Run pony camps.

INTRODUCING POTENTIAL CLIENTS, EXPECTATION OF CLIENTS AND STABLE RULES

The following information must be available to all potential clients upon arrival :-

1. Indemnity forms - *Caution !* It is necessary to seek legal advice for this form.
2. Rates list of liveries and details of what this includes.
3. Rates list of lessons and lesson options.
4. Livery and lesson payment contracts.
5. Membership forms for local Pony Club.
6. House policies for example, hats.
7. Emergency reporting and procedures.

In addition to the above, a basic set of stable rules and dress code should be displayed.

A client's expectations for their livery and/or lessons must be discussed to avoid any future disappointments or misunderstandings.

DIFFERENT TYPES OF SMALL BUSINESS FORMATIONS
(as per the Companies Act, 1973)

1. Sole Trader - The sole trader is the simplest form of business. The owner is not separate from the business i.e. He / She IS the business and his / her business's trading figures are included on his / her personal tax form that is submitted to the Receiver of Revenue each year.
The owner makes own decisions but also carries the responsibility of business on his / her own.
Limited capital.

2. Partnership - This comprises of 2 or more persons but limited to 20. Each partner is taxed on his share of the profits. Each partner contributes money, labor etc. to the business and each partner has a share in the profits of the business.
If one partner resigns or dies, the partnership ceases and a new partnership has to be registered – costly.
Partners could disagree on decisions.
Has more potential for increased capital from various partners.
Partnerships must be audited by an accountant annually – costs.

3. Close Corporation - This is its own legal entity and the company is registered as a tax payer in it's own right. The owners of a cc are called members and comprises of 1 to max of 10 members. Members don't hold shares but have membership interest in the company.
Life of a close corporation is perpetual.
Members have limited liability so risks are less.
The company must be signed off by a chartered accountant for the Receiver of Revenue each year – costs.
New Close Corporations are now no longer allowed to be registered.

NEW COMPANIES ACT EFFECTIVE 1st MAY 2011

The Companies Act, 2008 constitutes a completely new corporate law for South Africa, and will replace the current Companies Act, 1973 (as amended by the Corporate Laws Amendment Act) and amend the Close Corporation Act, 1984.

The Act provides for a number of new features, including the classification of companies into either profit or non-profit companies :

1. Non profit companies have to comply with a set of principles stipulated in Schedule 1 of the Act. These principals relate mainly to :
 - the purpose, objects and policies of the company
 - matters related to directors and members, and
 - fundamental transactions and the winding up of non-profit companies

The Act also exempts non-profit companies from certain provisions of the Act. In general, they will not be required to comply with provisions pertaining to :

- capitalization of profit companies
- securities registration and transfer
- certain provisions related to directors, the appointment of company secretaries, auditors and audit committees
- public offerings of company securities
- takeovers, offers and fundamental transactions
- rights of shareholders to approve a business rescue plan
- dissenting shareholders' appraisal rights

The name of the non-profit company should be followed by the expression NPC.

2. Profit companies are divided into 4 categories – private companies, personal liability companies, state owned companies and public companies.
- Private company (Propriety Limited or Pty (Ltd)) :
A company that is not a state owned company, and its Memorandum of Incorporation :
 - prohibits it from offering any of its securities to the public, and
 - restricts the transferability of its securities
 - Personal liability company (Incorporated or Inc):
A company that meets the criteria for a private company and its Memorandum of Incorporation states that it is a personal liability company (the directors and past directors are jointly and severally liable, together with the company, for any debts and liabilities of the company that were contracted during their respective periods of office).
 - State owned company (SOC Ltd):
An enterprise, registered as a company, which falls within the meaning of 'state owned enterprise' in terms of the Public Finance Management Act, 1999, or is owned by a municipality.
 - Public company (Limited or Ltd):
A company that is not a state owned company, private company or personal liability company.

The Act introduces stricter accountability and transparency requirements for public companies and state owned companies (although private companies, personal liability companies and non-profit companies may elect to comply with these stricter requirements).

ALL COMPANIES ARE OBLIGED TO FILE MEMORANDA OF INCORPORATION, MAINTAIN A REGISTERED OFFICE, RETAIN RECORDS IN A PRESCRIBED FORM, DECLARE A FINANCIAL YEAR END, MAINTAIN ACCURATE FINANCIAL RECORDS AND PRODUCE FINANCIAL STATEMENTS, the detail of which is set out in Chapter 2 of the Act.

In addition, Chapter 3 requires public companies, state owned companies and certain other companies to:

- appoint a company secretary
- appoint an audit committee consisting of at least 3 members
- appoint and receive an auditor's report on its financial statements

A substantial amount of additional information pertaining to the new Companies Act 2008 can be found online. www.google.co.za and ask for Companies Act or Companies Act Online

EQUINE PROHIBITED SUBSTANCES

There are over 1000 substances on the FEI Equine Prohibited Substances List which came into effect on 1/1/2013. Extra changes are made annually.

These can be obtained on the following website – www.feicleansport.org under Clean Sport for Horses.

It is important to search this data-base under the active substance and not the trade name before you use a medication as simple trade names can vary substantially between countries and can change over time.