



## Finance Procedures

### Budget Planning

April: budget planning schedule starts

May: draft budget submitted to the Finance Officer for consideration

June: Treasurer submits draft budget with an explanatory report to the Board for approval or amendment.

### Monitoring

The Chief Executive Officer (CEO) monitors expenditure and income against budget on a regular basis.

At the end of each quarter, the Treasurer submits a report on actual and budgeted income and expenditure relative to the budget to the CEO which analyses and refers it to the Board with explanations of significant variances and/or recommendations for corrective action.

### Banking

TBCC's Operations Account is held with Bank SA. It is a Business Account into which all income from operations is deposited and from which all expenses are paid, except when a funding body requires a separate bank account be opened for its grant funds.

TBCC also holds funds surplus to short-term (one month) requirements in high-interest earning accounts; to enhance security, short-term funds are held in deposits linked to the Operations Account such that funds can only be transferred between the linked account and the Operations Account.

TBCC manages four (4) Bank Sa Visa Credit Cards CEO limit \$1000, Treasurer \$500, CPN car 1 \$500 CPN car 2 \$500. Card statements are to be reconciled by the Finance Officer/Treasurer monthly.

EFT daily settlements are reconciled weekly by the Finance Officer/Treasurer

Funds which are assessed as not being required to meet cash flow requirements for more than three months are considered for holding in term deposits.

The Treasurer/ CEO/Finance Officer prepares monthly Balance Sheets with comments for the Board. In addition to reporting on the financial status of TBCC, Balance Sheets are the basis for determining the availability of funds for short or longer-term investment.

Board members may upon request to the CEO view a copy of the monthly bank reconciliation statements, bank statements and all supporting documentation.

### Accounts payable and receivable:

Signatories to cheques, to authorise withdrawals from or transfers between bank accounts, to open or close an account with a financial institution, to approve direct debits and for electronic financial transactions are to be any two of the following persons:

- The Treasurer
- The CEO
- The Finance Officer
- Nominated BOM signatory

Cheques must not be pre-signed and are to be kept in a secure place in the Centre.

## **Payments:**

At a time determined by the Treasurer/Finance Officer, payments are made on receipt of an invoice or other document to verify that the transaction is valid and, where feasible, that the goods or services have been received.

Community Passenger Network (CPN) drivers once approved by Murray Mallee Community Passenger Network (MMCPN) will receive a payment to cover refreshments and food. The driver will complete a MMCPN reimbursement slip and return to MMCPNCO for approval. Once approved MMCPNCO will forward to the Finance Officer for processing.

MMCPN will provide Mallee Health Service Country Health Connect (MHS) each financial year with fifty percent of all fees collected from clients for that financial year paid to Shared Services account.

## **Monies received:**

Monies received at reception must be receipted and placed in the secured money cupboard to be banked on at least a weekly basis. However, if it concerns a payment for an third party organisation such as Rotary fundraiser, the payment is to be receipted and held in secure cabinet for money received, and handed over to that third party organisation at the mutually agreed date.

## **Purchases:**

A purchase order is not required but may be issued at the discretion of the CEO or Finance Officer. For authority levels for purchases refer the Delegations Policy

## **Investment - refer Investment Policy & Procedure**

### **Asset management – Asset Register, Fixed Assets and Depreciation**

The CEO/Treasurer/Finance Officer are responsible for maintaining the Asset Register and for applying depreciation. Registered assets are depreciated at the rate as determined by the Treasurer in consultation with the Auditor.

Depreciation is shown as an expense in the accounts, calculated at the end of each year.

The asset register contains a description of the asset, original cost (plus cost of bringing item into service, where applicable), serial number and depreciated value.

Asset replacement expenditure is approved in the annual budget. There is no provision made for financing asset replacement (e.g. by matching funds available for asset replacement to the balance in the account "*Furniture and Equipment: accumulated depreciation*").

Any fixed physical asset with a purchase price of over \$2,000 is regarded as a capital expenditure and recorded on the Asset Register. Although capital expenditure is recorded in the accounts as an asset and does not form part of the expenditure budget, proposals for known upcoming capital expenditure are to accompany each budget for Board approval.

When an asset is sold, transferred, scrapped or otherwise disposed of, the assets register is updated to include the date of disposal, the disposal value and the method of disposal.

Donations or gifts of assets and assets acquired with grant money with an assessed market value of over \$2,000 are recorded as assets in the balance sheet and depreciated together with other assets (Dr: Assets; Cr: Accumulated Depreciation).

## **Risk Management/Insurance - refer to Risk Management and Insurance Policies & Procedures**

### **Accounting System**

The CEO and/or the Finance Officer are responsible for maintaining the chart of accounts and the accounting system. The Chart of Accounts is in accordance with the national Standard Chart of Accounts for not-for-profit charitable organisation (SCOA).

TBCC uses the Reckon Host (online) accounting software package.

Accounting is on a cash basis. (The time required to maintain accurate accrual accounting is not justified by the benefit to Board members and others interested in the financial status of TBCC)

All programs are expected to be self-funding, i.e. to charge fees, receive grants or sponsorship or otherwise raise funds to cover costs (not necessarily on an annual basis) subject to negotiation with the CEO.

Accounts are backed up at the end of each day the accounts are amended automatically with a system back-up. The back-up is in two forms cloud based and external hard drive taken off site (post office box) at least three times a week.

### **Payroll System**

The Finance Officer is responsible for maintaining the payroll system and pay records.

- Employees are engaged on the basis of a contract under the terms of a TBCC Enterprise Agreement. TBCC seeks contractual support from Employsure.

### **Employee Records**

- Records of employees' wages, hours of work, leave entitlements and leave taken, are kept by the Finance Officer, who is responsible for ensuring all recording requirements are met.
- Pay slips include information on the status of all leave, superannuation and other contributions made for the current pay period and year-to-date.
- Confidential employee records and contracts are kept in a locked filing cabinet in the Board office.
- Time books are completed daily. Staff members submit signed time books for the two week period preceding each pay.
- Employee records are kept for 5 years.

### **Goods and Services Tax**

- TBCC has an ABN ( 13 750 980 152) and is registered for GST
- Accounts are to meet ATO requirements and regulations.
- GST is not charged on course fees.
- Input tax credits are not claimed for any costs associated with fund-raising and TBCC does therefore not include GST on any income arising from such activities.
- Business Activity Statements are submitted quarterly by the due date.
- The CEO is to ensure that the Treasurer and Finance Officer are kept informed of changes to Taxation legislation which applies to not-for-profit organisations.

### **Financial Controls - Audit**

- Accounts are audited by a qualified independent accountant with membership of Certified Practising Accountants Australia or the Institute of Chartered Accountants of Australia.
- The aim of the auditor is to be able to state that he/she believes the accounts give a fair and reasonable presentation of TBCC's financial status.
- TBCC's accounts are audited on a financial year basis. Accounts are in order for the audit, reconciled and balanced with back-up data (Return to Work SA) calculations, cheque butts, receipts, time books, banking records, bank statements etc.) and available to enable an audit to take place by at least end-August, in time for the auditor to provide a report to the AGM held in September.

### **Courses**

- **Course Fees and Concessions**
  - Fees for courses and hire charges for Centre facilities are set to achieve an annual break-even level.
  - Course expenses recovered from students or funding bodies include tutor costs, venue hire and material costs.
  - Course fees are to be paid in advance in full per session or term-by-term basis unless the course sheet stipulates a deposit is required before course commencement, with the date for full payment specified.
  - The deposit is not refundable unless the class has been cancelled by TBCC or the student has experienced circumstances outside their control which prevent them attending.
  - Where refunds are permitted, they may be subject to an administration fee.
  - Once classes begin, refunds will not be made.
  - This policy must be advised to all applicants for courses and be included in course registration forms.
- **Low Class Numbers**
  - In general, classes should be cancelled if two days before the start of the class there are less than the minimum number of enrolments – to avoid running courses at a loss. Courses subsidised by grant funding must operate on their stipulated minimum numbers where applicable. The CEO can use discretion to allow other classes to proceed, even if on the surface they appear to be operating on a less than financially viable basis. Factors to be taken into account include:
    - Prospect of re-negotiating the tutor/rental fee component
    - Subsidy available for course
    - Support for a new but prospectively valuable program (i.e. requiring 'seed' funding)
    - A firm belief that this activity/workshop is responding to a genuine need and is of substantial benefit to the participants, even if few.

### **Concessions/Discounts**

- The CEO is authorised to negotiate concessions for individuals or community organisations whose circumstances are such that they cannot:
  - participate in a TBCC program or activity without a concession (e.g. residents holding a concession card) or
  - conduct a program of benefit to the community without a concession (e.g. for room hire or other charge for a program meeting a known need)

### **Contracting /Purchases**

- **Services & Asset Purchases [Refer to Delegations of Authority for guidance]:**
  - Any conflict of interest must be declared during the decision-making process.
  - When contracting for services, the qualifications/experience/certification or registration of the contractor are to be evidenced and a cover note for their public liability insurance policy and Return to Work SA registration certificate (where applicable) are attached to the contract. For dangerous work, the contractor is to provide a safety plan for carrying out the work involved.
  - A minimum of 2 written quotes to be obtained for purchases valued at over \$5,000.
  - A written contract or agreement must be in place for service contracts over \$10,000.

- A risk assessment is performed prior to purchase of items over \$10,000.
- For contracts over \$10,000, if the contractor is not known to TBCC, references are to be sought, or examples of recent comparable work are to be examined.
- Purchases other than the above-mentioned can be made without seeking competitive quotes. Where a preferred supplier exists, staff are directed to use that supplier unless they are able to obtain better value for money from an alternative supplier. Exceptions are made for:
  - purchases of the same brand of chemical product as used previously to obviate the need to acquire Material Safety Data Sheets (MSDS) or alternative products and change MSDS registers (refer to the MSDS Register for the preferred brand for individual sites, when making a purchase)
  - Consideration of environmental issues relating to products.
- Service Agreements (with Funding Bodies)
  - All Service Agreements/Funding Contracts are signed by the Chairperson or delegated authority.
  - Any queries regarding ability to meet requirements of a service agreement must be addressed prior to signing.
  - Every effort is to be made to meet all requirements of a service agreement and any shortfall is to be reported to the Board, if possible, before the final report is submitted to the funding body.
- Personnel (e.g. contractors who provide services on behalf of TBCC directly to the TBCC program or service users)
  - The principles of TBCC recruitment, selection and Induction procedures and screening procedures (contained in HR risk assessment procedures) are to be followed when engaging contractors to work with program or service users.
  - Records for each contract will be maintained. The file will contain a record of the contract, record of contract reviews, any associated risk assessment notes and decisions, copies of professional registrations and insurance. Induction will reinforce the contractor relationship with TBCC and be documented on the Contractor Induction Check-list.
  - All insurance (Return to Work SA), Professional Indemnity and Public Liability) and ATO requirements are to be met by the contractor.
  - A written agreement/contract is to be in place for all engagements of contractors – specifying duration and terms of engagement, remuneration, position and any objectives specific to the contracted position.
  - TBCC will review the contract annually, to include review of performance and updated evidence of insurance etc.

## Grants

- All funding applications greater than \$50,000 or which involve employment are to be approved by the Board and documented in Board minutes.
- Proposals to the Board that a grant application be lodged are to include a completed project proposal and budget (refer template).
- TBCC's financial contributions to complement grant funding are to be clearly identified in the project proposal budget.
- Grant expenditure is to be carefully monitored by the relevant staff person (and project officer responsible for the project, where applicable) in addition to the CEO; expenditure is to be monitored by item category where the funds are assigned specifically for certain categories of expenditure in the budget.
- Reports required by funding bodies are to be provided to the CEO (or delegate) at least 10

working days before the report is due to be submitted.

- Special efforts are to be made to acknowledge funding bodies in publicity about the funded project – and the funding body is to be advised of the publicity (e.g. copies of articles). The directions of funding body regarding the use of logos etc. must be observed.

## Donations

A register of donations of items with an estimated value of over \$200 is maintained and a donations form is completed to clearly record the intent of donor and value of the donation. If a donated item valued at over \$2,000, the donated item is entered in the Asset Register (see asset management above).

## Financial Reporting – to comprise:

### Monthly

Balance Sheet	All Board members
Bank Reconciliation	Treasurer/CEO/Finance Officer
Transaction report	Available to Bus Officer/Secretary

### Quarterly

BAS Statements	Treasurer/CEO/Finance Officer
Income & Expenditure v Budget (YTD)	All Board members

### Annually


Audited Financial Statements	Annual report, all funding bodies and The Office of Consumer and Business Affairs (OCBA)
OCBA	Section 35 Statements (Associations Incorporation Act)
OCBA	Collection for Charitable Purposes Licence Report and Renewal Application

Australian Charities and Not for Profit Commission (ACNC) Annual Report

Originals of all finance reports are filed with the relevant meeting minutes.

## Access to Information

- Accounts are kept up to date in the electronic accounting package (Reckon Host online) to ensure that accurate figures can be obtained upon request.
- Reckon Host access is only available to the Treasurer, CEO and Finance Officer.
- Business banking access is only available to the Chair of Board, Treasurer, CEO (limited) , Finance Officer or nominated signatory.
- Passwords are kept in place for Reckon Host with security levels established to prevent unauthorised entries or alterations.
- Board members have access to all financial records upon request to the CEO.

<b>Date first formulated</b>	18/7/2014	
<b>Dates endorsed by Board</b>	V1 V2 V3	7/8/2014 June 2016 Feb 2019
<b>Next Review Date</b>	February 2020	
<b>Related Documents</b>	Finance Policy Financial Reports Investment Policy and Procedures Risk Management Policy, Procedures, Assessment and Plan Insurance Summary and Checklist Reception Procedures Manual Recruitment, Selection and Induction Procedures CPN fees	
<b>Legislation</b>	<a href="https://agedcare.health.gov.au/quality/aged-care-quality-standards">https://agedcare.health.gov.au/quality/aged-care-quality-standards</a> <a href="https://www.sa.gov.au/topics/care-and-support/carers/carers-rights-and-legislation">https://www.sa.gov.au/topics/care-and-support/carers/carers-rights-and-legislation</a> <a href="https://www.ndiscommission.gov.au/">https://www.ndiscommission.gov.au/</a> <a href="https://www.dpc.sa.gov.au/what-we-do/services-for-government/information-sharing-guidelines">https://www.dpc.sa.gov.au/what-we-do/services-for-government/information-sharing-guidelines</a>	
<b>Signed on behalf of TBCC Board of Management by:</b>		
<b>Name:</b> Jack Hunt		
<b>Position held:</b> Chairperson		
		<b>Signature:</b>  5/3/19