[Insert organisation name/logo]

# FINANCIAL MANAGEMENT POLICY

**Version: [Year/No]**

**Document status: [Draft or Final]**

**Date issued: [date]**

**Approved by: [insert organisation name] Board of Directors on [date]**

**Date for review: [date]**

**Record of policy development:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Version number** | **Date of issue** | **Lead author/ reviewer** | **Consultative panel** | **Significant changes on previous version** |
| **[Yr/No.]** | **[Date]** | **[Name/role]** | **[Name/role/ organisation]** | **[For example, incorporate changes to new legislation]** |
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***🖌Note\****

*This policy template has been developed to meet the needs of a diverse range of services and includes items for consideration in policy and procedure.*

***Not all content will be relevant to your service.******Organisations are encouraged to edit, add and delete content to ensure relevancy.***

*All notes (like this one) should also be considered and deleted before finalising the policy, and the contents list should be updated as changes are made and when content is finalised. See the NADA Policy Toolkit User Guide for more editing tips.*

*\*Please delete note before finalising this policy.*

***🖌Note\****

*To update the contents list when all content has been finalised, right click on the contents list and select ‘update field’, an option box will appear; select ‘Update entire table’ and ‘Ok’.*

*To use the contents list to skip to relevant text, use Ctrl and click to select the relevant page number.*

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##

## SECTION 1: FINANCIAL MANAGEMENT FRAMEWORK

***🖌Note\****

***Further information and helpful tools for financial management activities for not for profits can be found in the Community Directors website***

*\*Please delete note before finalising this policy.*

### 1.1 Policy statement

**[Insert organisation name]** is committed to transparent, comprehensive, and secure management of its finances, ensuring all financial obligations are addressed, and that there are sufficient resources to support the organisation in working towards its mission and objectives.

### 1.2 Purpose and scope

This policy aims to provide **[Insert organisation name]** with guidance in managing finances of the organisation.

This policy applies to all the organisation staff, Board members and volunteers.

### 1.3 Principles

* Effective financial management is a priority of the Board of Directors and the CEO/Manager.
* The Board of Directors holds ultimate accountability for the financial management of the organisation.
* Financial management responsibilities of the Board of Directors, staff and volunteers are clearly defined.
* Resources are provided to support good financial management.

### 1.4 Outcomes

The outcomes of implementing this policy are:

* Finances are effectively managed and support the organisation in its mission and objectives.
* Accurate, complete and transparent financial records are kept.
* All financially related contractual and legislative requirements are met.
* Assets are managed to support the organisation.

### 1.5 Delegations

|  |  |
| --- | --- |
| **Board of Directors** | * Endorse and ensure compliance with the Financial Management Policy.
* Contribute to the review and development of the Financial Management Policy.
* Review and approve financial statements (balance sheets, income statements, cash flow statements) on a regular basis at Board meetings.
* Ensure an approved auditor conducts an annual audit of the organisation’s accounts. **[insert specific delegations/responsibilities]**
 |
| **Business services/ management** | * Compliance with the Financial Management Policy.
* Contribute to the review and development of the Financial Management Policy.
* **[Insert specific delegations/responsibilities].**

**CEO/ Manager** * Lead the development and regular review of budgets
* Ensure accurate, complete and transparent financial records are kept.[Insert specific delegations/responsibilities].

**Management*** **[Insert specific delegations/responsibilities].**
 |
| **Program services/clinical** | * Compliance with the Financial Management Policy.
* Contribute to the review and development of the Financial Management Policy as appropriate.
* Provide advice to management on budgets to ensure compliance with expected delivery of services
* Ensure accurate, complete and transparent financial records are kept.**[Insert specific delegations/responsibilities].**
 |

### 1.6 Policy implementation

This policy is developed in consultation with the Board of Directors and staff members, and is approved by the Board of Directors.

All staff, Board members and volunteers are responsible for understanding and adhering to this policy.

Specific monitoring and support activities undertaken include:

* Staff, volunteer and Board member orientation
* Review and update of this policy every **[insert frequency]** at a minimum, or as required.

This policy must be read in conjunction with the following policies:

* Organisational Development Policy
* Program Management Policy
* Human Resources Policy
* Service and Program Operations
* Governance Policy
* Risk Management Policy.

### 1.7 Risk management

Risk management actions are identified in Section 2: Financial Security.

## SECTION 2: FINANCIAL SECURITY

Financial security is about protecting the organisation’s financial and other assets from irregular and fraudulent behaviour. The organisation implements a range of financial security strategies.

### 2.1 Quality improvement

The organisation maintains currency of this Financial Management Policy which is informed by current best practice and sector standards, and complies with contractual and legislative obligations.

The organisation implements related policies and procedures that support understanding and compliance with this Financial Management Policy, including:

* **[e.g. Program Management Policy]**
* **[other policy]**
* **[other policy].**

The organisation makes improvements to financial management by:

* **[Conducting a bi-annual review of financial management practice against this Financial Management Policy and making improvements as required]**
* **[Conducting [insert number] spot checks of financial files per year]**
* **[Engaging an external review of financial management]**
* **[Insert other improvement processes].**

### 2.2 Standard templates

Standard approved templates that align with Australian Accounting Standards are used in managing and recording the organisation’s financial accounts to support consistency and shared understanding across the organisation, as well as acting as a safety control measure.

Current financial management standard templates are located **[insert electronic file location].**

### 2.3 Contractual and compliance obligations

The organisation’s financial management contractual and compliance obligations are identified as part of the organisation’s Compliance Register, detailing the response, reporting and timing requirements.

The Compliance Register is reviewed **[monthly / bi-monthly / quarterly]** by **[insert delegated staff positions]** and the Board of Directors.

#### 2.3.1 Scheduling of financial management activities

A schedule of financial management activities is maintained by the **[insert delegated position]** which details:

* budget development planning, drafting and approval timeframes
* internal and external reporting
* internal reviews
* external reviews
* auditing
* **[Insert other activities].**

The schedule is **[in the organisation’s shared business calendar]** and/or **[a stand-alone document]** and/or a standard report prepared for the Board’s meetings.

### 2.4 Roles and responsibilities

Financial management roles and responsibilities are assigned to specific staff and Board positions and are identified in organisation policies, position descriptions and a delegation chart. It is the Board’s responsibility to ensure effective financial management of the organisation.

#### 2.4.1 Board of Directors’ roles and responsibilities

The Board of Directors as a whole, together with individual members will:

* Comply with all contractual and legislative requirements
* Develop and monitor financial plans and budgets
* Use organisation funds solely for approved organisation purposes and priorities
* Use restricted funds for their designated purpose only
* Ensure all financial transactions and decisions of the organisation are recorded using standard accounting practices
* Ensure an approved auditor conducts an annual audit of the organisation’s accounts
* Ensure separation of financial duty practices are adhered to
* Prevent the organisation from incurring unauthorised debts
* Ensure debts are settled within the agreed time period
* Not approve or incur debt that is beyond the organisation’s ability to meet
* Ensure internal and external financial reporting requirements are met
* Allocate financial authorities and delegations
* Monitor and respond to irregular and fraudulent behaviour of staff and/or other board members.

#### 2.4.2 The Treasurer

#### The Treasurer is responsible for providing leadership and oversight of the organisation’s financial management in addition to general financial responsibilities of all board members. 2.4.3 The finance subcommittee

**[Insert specific roles and responsibilities].**

#### 2.4.4 The CEO/Manager

The CEO/Manager is responsible for working with the Treasurer and Board of Directors in implementing effective financial management of the organisation. The CEO/Manager will:

* Provide leadership and action financial management
* Develop and work with the Board in developing financial plans and budgets
* Ensure accurate, appropriate and timely financial reporting as required internally and externally
* Delegate and supervise financial management positions and activities as required.

#### 2.4.5 [Insert position name]

The **[insert position name, e.g. Finance Officer/Administration Officer/Financial Assistant]** position is responsible for:

* maintaining accounting books and records
* processing all approved income and expenditures
* managing petty cash
* preparing financial statements and reports
* assisting in financial plans and budget preparation
* preparing for and assisting the annual external audit
* preparing staff salaries and other payments, and maintaining required records
* maintaining asset register
* maintaining insurance register.

### 2.5 Signatories

The organisation maintains a record of current cheque and on-line signatories in the Bank Register.

Any changes to signatories are to be advised to the relevant banking institution.

Any adding or removing of cheque and on-line signatories must comply with the following:

1. No cheque signatories are to be related or living in the same premises
2. No cheque signatories are to ever have been bankrupt or convicted for fraud
3. Signatories are not to authorise payments involving a conflict of interest, including authorising reimbursement for own expenses
4. Two signatures/electronic funds transfer authorisations are required for approved expenditure.

### 2.6 Delegation authorities

Authority for expenditure of the organisation’s funds is permitted within the Board of Directors’ approved budget/s and within the financial delegation limits.

Authority for CEO/Manager expenditure of the organisation’s funds outside of the approved budget/s and/or over the limits of delegation must be provided by the Board in writing for each occurrence.

### 2.7 Delegation limits

Delegation limits allow an employee to spend organisation funds up to the limit before requiring approval from a manager with higher delegation to exceed the limit.

#### 2.7.1 Delegation limits of staff

The Board determines the CEO/Manager level of financial delegation and, along with the CEO/Manager, determines the level of financial delegation for all other staff. The financial delegation limits for staff are:

* **[CEO/Manager: $insert amount]** (with the exception of staff salaries)
* **[Manager: $insert amount]**
* **[Finance Officer: $insert amount]**
* **[Project Officer: $insert amount]**
* **[Administration Officer: $insert amount]**
* **[Other position: $insert amount]**
* **[Other position: $insert amount].**

#### 2.7.2 Purchase and expenditure limit requirements

Purchases or expenditure over **[$insert amount]** requires **[insert number]** independent quotes.

Purchases or expenditure between **[$insert amount]** and **[$insert amount]** requires **[insert number]** independent quotes.

### 2.8 Accounting authority

The Board determines the CEO/Manager level of accounting authority.

The CEO/Manager accounting authorities are:

* **[Opening accounts]**
* **[Bank accounts]**
* **[Ledger, trust, general accounts]**
* **[Sign payment summaries]**
* **[Variation and authorisation of accounts payable]**
* **[Cheque signatures (all accounts)]**
* **[Placement of investments]**
* **[Engagement of consultants and contractors]**
* **[Asset management]**
* **[Debt management]**
* **[Travel and accommodation (including use of taxis, car hire, venue hire)].**

### 2.9 Cash disbursement authority

All cheques, including payroll cheques, with the exception of direct deposit payroll items, are to be signed by designated member/s of the Board or the CEO/Manager AND one other signatory.

Voided cheques are to have ‘VOID’ written boldly in ink on the cheque face and have the signature portion of the cheque crossed out. Voided cheques are kept on file.

Signatories cannot sign a cheque made payable to themselves, or a blank cheque.

In no event will:

* Invoices be paid unless approved by two authorised signatories
* Blank cheques (without a date or designated payee) be signed in advance
* Cheques be prepared on verbal authorisation, without an invoice and ABN provided by payee.

If required to issue a duplicate cheque for amounts over **[$insert amount]**, the bank must be notified immediately and a stop payment put on the original cheque.

A list of all cheques issued each month, featuring amount, recipient, signatories, and explanation, will be provided to the Treasurer.

### 2.10 Separation of duties

The organisation has a separation of duties requirement so that no one person has full responsibility or authority for the following financial functions:

* **[Authorisation and distribution of petty cash]**
* **[Authorisation of bank payments and transfers]**
* **[Purchasing of goods over [$insert amount]]**
* **[Contracting service providers with an expense over [$insert amount]]**
* **[insert other financial function]**
* **[insert other financial function].**

### 2.11 Human resources

The organisation implements strategies to ensure staff, volunteers and board members are appropriately skilled to undertake delegated financial roles and responsibilities, including:

* **[Employing staff with the right knowledge and skills for financial management delegations]**
* **[All personnel with financial delegations are screened through reference checks and National Police Checks]**
* **[insert other strategies].**

Relevant staff, volunteers and board members are provided with orientation and training to ensure they have the required knowledge and skills to undertake their financial roles and responsibilities, including:

* **[Orientation to the organisation’s financial management practice]**
* **[Confirming expected codes of conduct/behaviour relating to financial management practice]**
* **[Facilitating financial management training as required]**
* **[Establishing governance responsibilities with the board, including any financially related sub-committees]**
* **[Insert other orientation and training strategies].**

### 2.12 Access and security

Access to financial information, resources and financial transaction capability is restricted by:

* **[authorising physical and electronic access to delegated personnel only]**
* **[requiring password access to the organisation’s computer network]**
* **[requiring password access to financial management software programs used by the organisation]**
* **[securing all paper financial transaction records in key locked filing cabinet]**
* **[securing petty cash in a key locked storage cabinet or safe]**
* **[securing all paper financial transaction records and petty cash cabinets/safes in a locked room]**
* **[insert other control measures].**

### 2.13 Insurance

The Board of Directors and CEO/Manager ensures the organisation carries sufficient insurance cover to comply with contractual and legislative requirements, and to protect the organisation from financial impacts of mistakes, disasters and accidents.

Insurance policies are reviewed and renewed annually with significant changes to the organisation’s assets, staff and volunteer numbers, or services and activities incorporated into new policies.

The organisation maintains the following insurance policies and cover value:

|  |  |
| --- | --- |
| *Policy* | *Cover value* |
| Public/Products Liability | **$[insert cover value]** |
| Association Liability  | **$[insert cover value]** |
| Burglary/Theft | **$[insert cover value]** |
| Fire and Perils | **$[insert cover value]** |
| General Property | **$[insert cover value]** |
| Money in Transit | **$[insert cover value]** |
| Motor Vehicle | **$[insert cover value]** |
| Volunteer | **$[insert cover value]** |
| Workers Compensation | **$[insert cover value]** |
| **[insert other policy]**  | **$[insert cover value]** |
| **[insert other policy]** | **$[insert cover value]** |

Details of the organisation’s insurance policies are maintained in the **[insert register name, e.g. Compliance Register or Insurance Register].**

## SECTION 3: MANAGING FRAUD AND IRREGULAR PRACTICE

### 3.1 Fraud and irregular behaviour definition

Fraud is defined as “an act of deception intended for personal gain or to cause a loss to another person or organisation.” Fraud is a serious breach of trust. Under NSW and Commonwealth legislation, not all fraud is considered a criminal act. Where it is considered criminal there is a duty to report it to the police in NSW under section 316 of the Crimes Act 1900 (NSW)

Fraudulent behaviour includes:

* theft of goods or property
* falsifying financial expense claims
* falsifying or destroying financial and related records to conceal an improper action
* **not declaring a conflict of interest**
* **[Insert other fraud behaviours relevant to the organisation]**.

Irregular behaviour includes unauthorised activities for private gain, such as:

* ‘borrowing’ from petty cash
* unauthorised use of vehicles or equipment for personal use
* **[insert other irregular behaviours relevant to the organisation].**

### 3.2 Fraud risk assessment

The organisation conducts a formal fraud and irregular behaviour risk assessment **[insert frequency, e.g. every two years]** to identify fraud and irregular behaviour as well as potentially vulnerable areas.

The fraud risk assessment includes review of:

* **[adequacy and application of information technology and information security]**
* **[electronic commerce and internet transactions]**
* **[use of electronic signatures]**
* **[outsourced and contracted functions]**
* **[grants and other payments, benefits or programs]**
* **[tendering processes, and purchasing and contract management]**
* **[revenue collection]**
* **[use of credit cards]**
* **[travel allowance and other staff and Board allowances]**
* **[salaries]**
* **[petty cash]**
* **[Insert other areas included].**

Findings of the assessment are reported by the CEO/Manager to the Board of Directors for review, and response actions are incorporated into preventative, control and monitoring practice.

Specific vulnerable risk areas for this organisation are:

* **[irregular use of fuel cards due to part-time use of motor vehicles for personal use]**
* **[conflict of interest]**
* **[Insert other vulnerable areas].**

### 3.3 Reporting

Reporting of suspected or actual fraud and irregular behaviour is the responsibility of all staff, volunteers and Board members of the organisation.

Actual or suspected fraudulent and irregular behaviour is to be reported to **[insert reporting position/s]** immediately.

Any person receiving a report of suspected or actual fraud and irregular behaviour is to make a written record of the report.

Actual or suspected fraudulent and irregular behaviour by the CEO/Manager is to be reported to the Treasurer and/or President of the Board.

### Whistleblowing

A whistleblower is a board member, manager, employee, contractor or volunteer – who reports known or reasonably suspected misconduct within the organisation. The disclosure may be reported openly or anonymously. Whistleblower protection refers to protecting whistleblowers against reprisals following reporting.

Both internal and external reporting pathways should be available to whistleblowers.

A strategy for supporting and protecting staff who raise concerns is available and covers:

* **[procedures for assessing risks upon receiving a report]**
* **[methods for reporting victimisation]**
* **[processes for handling victimisation complaints]**
* **[methods of support]**

### 3.4 Investigation

The CEO/Manager and the Board are responsible for initial investigation of the report of actual or suspected fraudulent and irregular practice to assess if a formal investigation by, and reporting to, external parties is warranted.

External parties may include the organisation’s auditor, investigative consultant, Australian Tax Office, government funders and regulators, and the police.

A written record of all investigative activities and outcomes is made by the CEO/Manager and/or Board.

### 3.5 Post-incident

Following a suspected or confirmed incident of fraudulent or irregular practice, the organisation’s financial risks and control measures are reviewed and amended where necessary.

## SECTION 4: INCOME GENERATION

All income is recorded in the organisation’s financial statements.

### 4.1 Investing and interest

#### 4.1.1 Investing funds

The organisation may invest funds into a cash management account or a term deposit, provided:

* **[The funds are not allocated to annual budgets]**
* **[The funds are above the amount of $[insert amount]]**
* **[A surplus amount of $[insert amount] is retained in immediately accessible bank accounts]**
* **[The investment is for a period of no longer than [insert time period] for each period]**
* **[The Board has endorsed the transaction].**

#### 4.1.2 Interest earned

Interest earned on all funds is allocated **[insert specific investment(s), e.g. as retained earnings, back to specific project funds from which it was earned, distributed across projects and budgets, or to administration],** except for the following:

* **[Insert %]**% of interest earned on government grants/fund(s) is allocated to that grants/fund
* **[Insert other interest allocation exceptions].**

### **4.2 Fundraising and donations**

The organisation **[is/is not]** a deductible gift recipient (DGR) endorsed by the Australian Taxation Office.

#### 4.2.1 Fundraising

The organisation may undertake fundraising activities when appropriate charity status certification is up-to-date and provided the activity:

* Is assessed for financial, WHS and other risks
* Is not or could not be perceived as being either unethical or illegal
* Does not contravene the organisation’s mission, objectives or values
* Does not risk the organisation’s reputation in any way
* Does not involve a person known to have been associated with or prosecuted for any form of embezzlement
* Does not require expenditure of funds equal to or more than those that are expected to be raised
* Is approved by the Board
* **[Insert other fundraising limitations].**

#### 4.2.2 Donations

The organisation accepts financial and gift donations from individuals, private trusts, foundations and companies, provided that:

* The donation is made directly to **[insert full organisation name]**
* Receipts are provided for all donations
* Acceptance of the funds does not compromise the organisation’s mission, objectives, values or reputation.
* **[Insert other donation limitations].**

### 4.3 Sponsorship

The organisation accepts sponsorship offers of cash, products and services in return for association with the organisation as a whole and for specific projects, events or activities, provided that:

* The agreement does not compromise the organisation’s mission, goals, values or reputation
* A record is made of all sponsorship relationships and agreements
* Agreements over $**[insert amount]** are bound by a contract
* The organisation retains the right to withdraw from the sponsorship agreement at any time
* The sponsorship agreement is approved by the Board
* **[Insert other sponsorship requirements].**

### 4.4 Membership fees

The organisation offers a range of membership options for individuals and organisations – refer to **[insert organisation’s membership policy]**.

Membership income is recorded as such in accounting records and utilised for **[insert how the organisation uses this income]**.

### 4.5 Proceeds from sales and services provided

The organisation generates income from the following fee for service activities:

* **[insert services provided, e.g. Organisation run training, forum/conference/seminar, sale of merchandise]**
* **[insert other fee for service activities].**

### 4.6 Grants and funding contracts

The organisation seeks and accepts grants and funding contracts for the provision of services, provided that the requirements of the grant or funding contract do not conflict with, compromise, deter, or alter the organisation’s mission, objectives, values or reputation.

Grants and funds are accepted and entered into, providing there is a signed agreement by all parties that details the funds’ purpose, requirements, and restrictions.

The Financial Management Policy is reviewed to ensure it complies with the terms and conditions of funding contracts. Terms of the contract may be negotiated with the funders, and/or the Financial Management Policy is updated.

Grant and fund agreements are authorised by **[insert position, i.e. CEO/Manager, Board member]** and signed by **[insert position, i.e. CEO/Manager, treasurer]**.

### 4.7 Funds transferred from previous years

Unexpended funds from previous years are represented as funds transferred from previous years in their relevant budgets.

Use of unexpended funds must be used in accordance with any contractual requirements which the funds relate to.

## SECTION 5: BUDGETING

Budgeting is undertaken to manage resources for the achievement of strategic goals and sustaining the organisation.

### 5.1 Annual budgeting

The organisation develops budgets for 12-month periods depicting planned income and expenditure to undertake activities in working towards organisational and project goals.

Where the organisation develops separate budgets based on program areas, projects or specific activities, a consolidated budget is developed to monitor overall financial state of the organisation.

Annual budget development commences approximately two to three months before the beginning of the upcoming financial year and endorsed budgets provide the basis for control of the organisation’s financial operations for the budget period.

#### 5.1.1 Roles and responsibilities

Primary responsibility for developing budgets is delegated to the CEO/Manager and **[insert other positions]**.

The Board of Directors is to endorse annual budgets prior to the commencement of the financial year.

#### 5.1.2 Developing budgets

Budgets are developed based on informed estimates, rather than guesses, of the income and expenditure items. Income may be informed by funding contracts and grants, membership subscriptions, donations, training and event fees, and interest earned. Expenses may be informed by actual quotes, previous years’ amounts adjusted, or comparative amounts from outside the organisation. All budgets are to:

* Present a true cash flow position that does not confuse or mislead an audit trail
* Be inclusive of all known and planned income and expenditure
* Allocate funds solely for the organisation’s purpose and approved strategies
* Allocate restricted or tagged funds for designated purposes only
* Ensure projected income meets projected expenditure
* Be developed using the organisation’s approved budget template
* Include explanatory notes as required.

#### 5.1.3 Monitoring and Reporting Budgets

All budgets and performance against budgets are reported to, and reviewed by, the Board on a **[insert reporting regularity, e.g.bi-monthly]** basis.

In addition to monitoring and tracking, all budgets are formally reviewed, and adjusted if necessary, at the **[insert time period, e.g. six-month]** period, allowing for any major miscalculations or changes to the budget to be amended. A record of the changes and their rationale is maintained.

### 5.2 Project budgets

Separate budgets are developed for specific projects or activities, and or where income is in the form of restricted or tagged funds.

Specific projects and activities require the allocation of a management fee to the organisation’s operating budget to cover administrative costs of supporting the project/activity, such as electricity, printing, IT support, rent and general postage.

Specific project and activity management fees are as follows:

* Funds under $**[insert amount]** per annum: **[insert percentage]**%
* Funds over $**[insert amount]** per annum: **[insert percentage]**%.

One-off funding received for the purchase of equipment will not incur a management fee.

## SECTION 6: ACCOUNTING PRACTICE

### 6.1 Accounting standards

The organisation’s accounting practice is informed by and aligns with the Australian Accounting Standards[[1]](#footnote-1). New accounting standards AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-profit Entities become effective for accounting periods commencing on or after 1 January 2019.[[2]](#footnote-2)

### 6.2 Chart of accounts

The organisation develops and maintains an organisation-specific standard chart of accounts based on the Standard Chart of Accounts[[3]](#footnote-3). The standard chart of accounts is applied to all accounting practice(s) of the organisation.

The organisation’s standard chart of accounts contains the following groupings:

* Income
* Assets
* Liabilities
* Equity
* Cost of Goods Sold
* Expenses.

### 6.3 Costs

Costs refer to the value of resources required by the organisation to achieve its strategic goals. The organisation distinguishes between direct, indirect, fixed and variable costs as part of budget development.

The organisation depreciates purchased physical items which are expected to have a longer life, in order to spread cost over a period of time that is longer than the budget period.

Physical items to be depreciated are those with an expected life of **[insert life in years]** or more and with a value of $**[insert amount]** or more.

Physical items to be depreciated include:

* Motor vehicles
* Computer infrastructure
* Computer operating equipment
* Office equipment
* **[insert other items].**

### 6.4 Accounts payable

Accounts payable are managed as outlined below:

* All accounts are paid on time and advantage is taken of early payment discounts.
* Organisation payments are made in accordance with endorsed budgets.
* Authorisation for purchases is according to the authorised delegation limits.
* Purchase or expenditure not included in endorsed budgets and/or not within the CEO/Manager’s delegation require approval from the Board.
* All purchase documentation is to be attached to the organisation’s Purchase and Payment Authority Form for signed and dated approval by the delegated staff member.
* Purchase documentation must include a valid Tax Invoice. Payments will not be made in the absence of a valid Tax Invoice.
* All completed sections of the Purchase and Payment Authority Form are to include:
	+ - Item/service being purchased
		- Name of supplier (who the payment is going to)
		- Supplier reference (i.e. invoice number)
		- Authorised dollar amount
		- Expense account code and title
		- Project/budget/cost code which is incurring the expense
		- Payment method
		- **[Insert other items].**
	+ If a statement or payment reminder notice is issued to the organisation, payment cannot be made without a copy of the original invoice.
	+ Complete and accurate purchase records are made in the organisation’s electronic accounting system and hard copy filing system by the **[insert position/s]**.
	+ Purchase records are to be entered at least **[insert time period, i.e. weekly]**.
	+ All payments are made by cheque or electronic banking.
	+ All cheque and electronic transfer payments must be counter-signed by two authorised signatories.
	+ All cheques, with the exception of **[insert all exceptions, e.g. petty cash, wage cheques]**, must be stamped with the words *‘Not Negotiable.’*
	+ Blank cheques must never be signed.
	+ Single item purchases must not be split over more than one Tax Invoice for the purpose of avoiding authorised sign-off by the appropriate signatory.

### 6.5 Accounts receivable

#### 6.5.1 Managing accounts receivable

All sales and revenue-producing activity of the organisation is recorded fully and accurately in the organisation’s accounting systems.

Upon confirmation of a sale/payment, a customer record and fully detailed invoice is created in the electronic accounting system.

Sales must remain open until payment is received or the organisation determines it is to be written off as a bad debt.

Received payments must be accurately matched against an open sale invoice and allocated to the designated budget item account before being deposited into the bank account.

#### 6.5.2 Managing debtors and outstanding debts

A debtors list is produced and reviewed monthly by **[insert position title and/or Board]** to monitor debts.

Debtors are to be provided with communication reminding them of their debt according to the following timeframes after payment was due:

|  |  |
| --- | --- |
| Week 4  | Copy and resend invoice with a reminder notice |
| Week 5 | Follow-up phone call |
| Week 6 | Debtors letter No. 1 |
| Week 8 | Debtors letter No. 2 |
| Week 10 | Place with collection agency. |

All practical means are undertaken to recover outstanding debts due to the organisation.

Debts are to be written off only when all reasonable attempts at recovery have taken place and recovery has proven to be unsuccessful and further action is either not cost-effective or highly unlikely to succeed.

Approval for debts to be written off must be provided by **[insert position]**.

All debts that have been written off are reported to the Board.

The organisation imposes the following limitations on debtors:

* **[Insert limitations, i.e. no further services are to be provided until all debts are paid]**

Debt that has been written off is considered an expense item for accounting purposes.

### 6.6 Reconciliation

Bank statements are reconciled monthly by **[insert position]**.

Reconciled bank statements are verified by the CEO/Manager **[insert time period, i.e. quarterly]**.

Outstanding cheques over **[insert number]** days are followed up by the **[insert position]**.

Outstanding cheques over **[insert number]** days are cancelled with authority by the **[insert position]**.

### 6.7 Cash flow management

Cash flow is monitored to ensure the organisation has sufficient funds available to pay its bills and prevent trading while insolvent.

The organisation develops and maintains a cash flow forecast which is included in financial reporting and review by the Board of Directors.

The following cash flow management practices must be adhered to:

* Cash is banked **[insert regularity, e.g. fortnightly]**
* Cash banking is carried out by two staff members and/or the Board of Directors
* Cash is kept secure and locked in a safe when not being used for transaction or recording purposes
* Bank statements are reconciled **[insert time period]**
* Payment from debtors is attained as quickly as possible.

### 6.8 Staff and Board member reimbursement of expenses

Staff and Board members incurring expenses either as a result of carrying out work, or purchasing materials on behalf of the organisation are entitled to reimbursement of approved expenses (refer to Section 7 – Staff and Board Member Business Expenses).

Expenses are reimbursed only once a completed **Staff and Board Member Expense Claim Form** is submitted with relevant Tax Invoices/receipts and approved by the delegated authority.

Expenses are reimbursed for costs incurred in the current financial period, allowing up to one month after the close of the accounting period; claims received after this time are not reimbursed.

Expenses are reimbursed in cash up to the value of **[insert amount, e.g. $100]** or electronic funds transfer to the staff member’s nominated account.

### 6.9 Petty cash

The organisation maintains a petty cash float for the payment of small, individual business purchases that are of a dollar value that does not warrant an alternative purchase method.

The petty cash float is maintained at a minimum of $**[insert amount, e.g. $50]** and a maximum of $**[insert amount, e.g. $300]**.

All payments from petty cash require a legible receipt that directly relates to and details the purchased item/s.

All payments from petty cash are recorded in **[insert where recorded, i.e. Petty Cash Register or Petty Cash Docket Book]**.

Petty cash records are reconciled and filed on a monthly basis.

Petty cash is managed by **[insert position/s responsible]**.

### 6.10 Organisation credit cards

The organisation provides credit cards to facilitate efficient purchase and payment of goods and services relating directly to the business of the organisation.

The Board of Directors and CEO/Manager determine the staff positions that are eligible to use organisation-provided credit cards based on position responsibilities, delegation level and efficiency benefits.

Organisation-provided credit cards:

* are to be used only for purchase and payment of goods and services relating directly to the business of the organisation.
* have a maximum credit limit of $**[insert amount]** for each credit card.
* have a monthly allowance of $**[insert dollar amount]** for each credit card.

All receipts and records must be provided for each credit card purchase/payment. Receipts are to be attached to monthly bank credit card statements for reconciliation, verification and approval.

Monthly bank credit card statements must be signed by each credit card holder to confirm that the expenditure is a true and accurate record and complies with the organisation policies relating to expenditure.

Signed bank credit card statements are reviewed and approved by **[insert positions responsible]**.

Staff members provided with an organisation credit card are responsible for maintaining the security of the credit card. In the case of loss or theft of the credit card staff members must immediately contact the **[insert position]** who will then arrange for cancellation of the credit card.

Any use of credit cards that does not comply with this policy may be dealt with as fraudulent or irregular practice.

### 6.11 Organisation fuel accounts

The organisation provides fuel cards to facilitate efficient purchase and payment of fuel for the organisation’s owned and/or leased motor vehicle/s.

Individual fuel cards are allocated for each motor vehicle and are to be used to purchase fuel for that vehicle only.

Fuel cards used to purchase and pay for fuel for non-organisation owned or leased vehicles, including for personal use, may be dealt with as fraudulent and irregular practice.

All receipts and records must be provided for each fuel card purchase/payment. Receipts are to be attached to monthly fuel card statements for reconciliation, verification and approval.

Monthly fuel card statements must be reviewed and approved by **[insert positions responsible]**.

### 6.12 Organisation taxi accounts

The organisation provides taxi payment cards to facilitate efficient payment of travel undertaken in taxis relating directly to the business of the organisation.

The Board of Directors and CEO/Manager determine the staff positions that are eligible to use organisation-provided taxi cards based on position responsibilities and efficiency benefits.

Taxi cards used to pay for travel other than that related directly to the business of the organisation, including for personal use, may be dealt with as fraudulent and irregular practice.

All receipts from taxi travel must be provided for each trip. Receipts are to be attached to monthly taxi card account statements for reconciliation, verification and approval.

Monthly taxi card statements must be reviewed and approved by **[insert positions responsible]**.

Where Taxis are not available, alternative ride sharing companies may be used provided receipts are made available.

***🖌Note\****

*Organisations may also include information on local public transport payment options, e.g. the Sydney-based Opal card.*

*\*Please delete note before finalising this policy.*

##

## SECTION 7: PROCUREMENT AND PURCHASE

### Services and Consultancy Procurement and Expenditure

Developing a procurement strategy and adopting appropriate best practice contracting and procurement principles, policies and procedures for all goods, services and works by **[insert organisation name]**, will enhance achievement of the objectives and sustainability as an Organisation.

In purchasing goods and services; **[insert organisation name]** aims to obtain the best value for its expenditure of funds. Procurement of goods and services over specified amounts will involve the investigation of more than one supplier and comparison of the quality and price of the available goods or services.

#### 7.1.1 Goods

Purchases of goods over **[insert amount]** requires two (2) independent quotes.

#### 7.1.2 Engaging consultants and contract staff

From time to time **[insert organisation name]** will seek to contract out work, rather than employing a new staff member. The factors to be taken into account when deciding to contract out work include:

* a project being time limited and/or needing specialist skills
* impact on resources on-site
* availability of skills required to complete the project within the organisation
* value for money
* project managers may authorise for expenditure under **[insert amount]** and are not required to produce a contract.

#### 7.1.3 Supplier engagement

When seeking to contract out work, **[Insert organisation name]** will seek expressions of interest from appropriate contractors through a selective invitation process. Prospective contractors will be given a brief and asked to provide a project plan, budget, and evidence of relevant skills and resources needed to undertake the project.

**[Insert organisation name]** may use the expression of interest process to establish an ongoing relationship with a preferred supplier for specified goods or services. A preferred supplier will retain this status for a period of six (6) months and will be subject to internal senior management review. This action will be recorded in the Compliance Register.

Procurement of services for amounts over **[insert amount]** will require an Expression of Interest to be coordinated.

Procurement services under **[insert amount]** may be selected from the pre-qualified list of consultants and service providers.

When a consultant or contractor is engaged, the CEO and/or Manager will sign off on the consultancy agreement which will be countersigned by the consultant or contractor. The agreement will cover:

* arrangements for payment on agreed milestones and timelines and will detail percentage and dollar amounts
* project management
* insurance
* intellectual property
* variations to the contract
* resolution of disputes
* termination of the contract.

## SECTION 8: STAFF AND BOARD MEMBER BUSINESS EXPENSES

### 8.1 Travel and transport

The organisation reimburses staff and board members for travel expenses incurred while undertaking approved business directly related to the organisation. Expenses may include:

* air, train, taxi, bus, ride sharing services and tram transport
* vehicle hire
* fuel
* travel insurance.

Where possible, payment for approved travel arrangements is made prior to the event, and using the organisation’s accounts for EFT or credit card transactions.

Receipts or ticket butts must be made available if reimbursement is required.

#### 8.1.1 Air travel

All business-related air travel is to be paid directly from the organisation’s bank account, unless approved otherwise by **[insert position]** under emergency circumstances.

All business-related air travel is to be economy class. A staff or board member may upgrade to either business or first class using their own funds/resources.

#### 8.1.2 Vehicle hire

Vehicle hire can be pre-booked on company credit cards when approved; however, pre-payment is often not possible, so staff may need to pay with personal funds and apply for reimbursement from the organisation.

When pre-booking and assessing hire costs, staff will consider the type of vehicle required, number of days it is required and cost of appropriate insurance. An approximation of total amount will be provided to the relevant supervisor for approval.

Reimbursement will only be made for the period where business directly related to the organisation was undertaken (including travel to and return), and when all receipts are provided, including additional fuel charges.

#### 8.1.3 Public transport and taxis

Where public transport is unavailable and/or unsafe and it is more economical to do so, the use of taxis, hire vehicles or ride sharing services is recommended. See Section 6.12 for more information on the organisation’s taxi accounts.

***🖌Note\****

*Organisations may also include information on local public transport payment options, e.g. the Sydney-based Opal card.*

*\*Please delete note before finalising this policy.*

#### 8.1.4 Personal Vehicle Use

Where public transport, taxi or hire vehicle is unavailable and/or unsafe and it is more economical and/or convenient to do so, staff or board members may elect to use their own private motor vehicle to undertake business directly related to the organisation. Approval from **[insert position]** for staff and board members to use their own private motor vehicle is required in advance of the intended travel.

Where approval has been given for staff and board members to use their own private motor vehicle to undertake business directly related to the organisation, fuel expenses will be reimbursed at a rate of **[insert amount, e.g. 0.66 cents per kilometre]**.[[4]](#footnote-4)

Claiming and/or approving reimbursement for expenses for private travel may be dealt with as fraudulent and irregular practice.

### 8.2 Accommodation

The organisation reimburses staff and board members for accommodation expenses incurred while undertaking approved business that is directly related to the organisation.

Where possible, approved travel arrangements and payments are made prior to the event, using the organisation’s accounts for EFT or credit card payment.

Staff are to consider the maximum spends tabled below regarding accommodation prior to making any booking. Any rates that exceed those below may not be reimbursed in full unless approved in writing by management.

Accommodation expenses are reimbursed at the following rates[[5]](#footnote-5)

|  |  |
| --- | --- |
| Metropolitan and regional areas | $**[insert amount]** per night  |
| Rural and remote areas | $**[insert amount]** per night |

### 8.3 Meal allowances

The organisation reimburses staff and board members for meal expenses incurred while travelling away from home to undertake approved business directly related to the organisation.

Meal expenses are reimbursed at the following rates:

|  |  |
| --- | --- |
| Breakfast and lunch | $**[insert amount]** per meal |
| Dinner | $**[insert amount]** per meal |

### 8.4 Miscellaneous expenses

The organisation may reimburse staff and board members for miscellaneous expenses incurred while travelling away from home to undertake approved business directly related to the organisation. Miscellaneous expenses include:

* laundry costs up to the value of $**[insert amount, e.g. $40 for every 5-day period]**
* travel support items, e.g. maps, up to the value of $**[insert amount]**
* **[insert other miscellaneous expenses].**

### 8.5 Delegation

Approval for staff and board member reimbursement is the responsibility of **[insert position/s]** and the staff members with relevant delegated financial authorities.

## SECTION 9: STAFF SALARY AND BENEFITS

### 9.1 Staff payroll

The organisation makes **[fortnightly/monthly]** payroll deposits into the staff member’s elected bank account.

Payroll is made strictly according to staff members’ employment contracts and is inclusive of any loading, penalty, or other entitlement payments.

The organisation makes the minimum superannuation payment required (currently 9.5% until 2021), and any additional requested superannuation payment on behalf of staff members.

A record of any bonus or incentive payments made to the staff member is retained by the organisation. This record includes the amount details and the signed authorisation as per delegation authority.

A record of all payroll payments is securely retained for the required period.

### 9.2 Staff salary packaging

The organisation **[does or does not]** offer salary packaging to paid staff members (refer to the Human Resources Policy for details).

## SECTION 10: ASSET MANAGEMENT

### 10.1 Asset acquisition

Only assets that support the organisation in working towards its mission and objectives are to be purchased.

Asset acquisition is based on consideration of whether the asset:

* will provide significant, direct and tangible benefit to the organisation
* does not exist or could not be upgraded or adapted to meet the same purpose
* is appropriate and cost-effective over its life
* is compatible with existing equipment and will not lead to unwarranted additional expenditure
* can be accommodated in existing space and facilities
* is the most suitable and appropriate type, brand, and model
* **[insert other].**

Authority to purchase assets is in line with the organisation’s financial delegation authority (refer to Section 2: Financial Security).

### 10.2 Asset register

The organisation maintains an up-to-date and accurate register of all physical assets that have monetary value equal to or above $**[insert amount]** and a life longer than **[insert time period, i.e. 12 months].**

Assets that are to be recorded on the asset register include:

* Computer equipment, e.g. laptops, desktops, routers, servers, and back-up power generators.
* Furniture and fixtures, i.e. office desks, storage infrastructure, air conditioning unit, alarm system
* Office equipment, e.g. copiers and video equipment
* Software that is organisation-wide (and greater than the capitalisation limit), i.e. enterprise planning or accounting software.
* Real estate/property, i.e. cost of acquiring a building
* Cultural collections, e.g. art works and cultural artefacts
* **[insert other].**

Each asset is to be recorded separately, except where multiple items combine to perform one function, e.g. computer system consisting of hard drive, monitor, keyboard and mouse.

The asset register is to record the following information for each asset:

* date of purchase
* purchase cost
* item serial number
* make and model
* description of the item, i.e. colour, size, etc.
* location where the asset is/is stored
* disposal date and method of that disposal.

Records of all asset purchase orders, invoices, receipts, delivery dockets and warranty details are to be maintained in a central online or hardcopy filing system.

All assets are to be checked at least annually to confirm they exist, are locatable, and are in good working order.

### 10.3 Asset depreciation

Items costing less than $**[insert value]** are fully depreciated at the time of purchase.

All registered assets with a limited useful life are depreciated over the lifetime of the asset.

Asset depreciation complies with Australian accounting procedures and Australian Tax Office allowances.

Asset depreciation and depreciation rates are reviewed and applied annually.

A record of all current and previous depreciation rates is maintained in the Record of Asset Depreciation Rates.

Assets that have been fully depreciated and have completed their estimated useful lifetime but are in good working order are to remain active on the asset register until these items are disposed of.

### 10.4 Asset disposal

The disposal of all assets is to be done in a safe and clean manner, with consideration given to methods of selling, donating, reusing or recycling.

All asset disposals are to be recorded in the Asset Register.

Any proceeds from the sale of an asset are recorded in the organisation’s financial records.

All asset disposals must be approved by **[insert position/s]** in writing.

## SECTION 11: MONITORING AND REPORTING

### 11.1 Financial statements

The organisation demonstrates its financial position through reporting of accurate, complete, relevant and transparent financial statements to the Board and stakeholders, as required.

Financial statements are a true representation of all financial transactions undertaken in the stated period.

Financial statements are prepared:

* in line with recognised good practice and in such a manner that they may be audited at any time if required.
* in a timely manner and are provided to the Board and external stakeholders within required timeframes.
* around the financial year commencing 1 July and ending 30 June.

#### 11.1.1 Cash Flow Statements

The organisation maintains monthly cash flow statements showing the organisation’s actual cash inflows, outflows and balances.

Cash flow statements are used to determine the short-term viability of the organisation, particularly its ability to pay bills.

#### 11.1.2 Balance Sheets

The organisation maintains a monthly balance sheet (also known as a statement of financial position) which provides a snapshot of the organisation’s financial position or ‘net worth’ at a specific point in time.

The balance sheet is to detail the organisation’s assets (what is owned), liabilities (what is owed), with the outcome of both collectively known as net assets.

#### 11.1.3 Income and expenditure statements

The organisation maintains income and expenditure statements (also known as statements of financial performance) to determine the balance on both a monthly and/or annual period.

Income and expenditure statements are used to determine if current income is sufficient to sustain the organisation’s operation, given the current amount of debt.

### **11.2** Accounting records (principle and subsidiary)

The organisation maintains relevant principle and subsidiary records to support financial statements.

Principle accounting records maintained by the organisation are:

* Cash flow books – hard copy or electronic with record of all cash receipts and payments
* General ledger record of all assets, liabilities, income and expenditure
* General journal to record one-off transactions, especially at balance date
* Register of members – both financial and non-financial, and detailing names, addresses and other information as required by relevant legislation
* Petty cash records – [Petty Cash Register or Petty Cash Docket Book]
* Payroll records
* Statutory records – including minutes of all Board meetings
* Asset register
* **[insert other as relevant].**

Subsidiary records maintained by the organisation are:

* Receipt books for any monies collected
* Bank deposit books
* Cheque books
* Tax Invoices
* Budgeting papers
* **[insert other as relevant].**

### 11.3 Annual Report

The organisation prepares an Annual Report at the end of each financial year for distribution to all members and stakeholders.

The Annual Report is prepared in time for presentation at the organisation’s Annual General Meeting.

The Annual Report has the following content:

* financial statements – statement of financial performance, statement of financial position, statement of cash flows
* notes to the financial statements
* details of assets and liabilities
* treasurer’s report on the financial statements
* narrative summary of significant financial activities and outcomes
* **[insert other as relevant].**

### 11.4 Reporting schedule

Monthly and quarterly financial statements are provided to the Board for review and endorsement at each Board meeting.

A record of all financial statements and reports provided to the Board is maintained, along with any endorsements, amendments or other decisions.

The **[insert position/s]** is responsible for preparing monthly and quarterly financial statements and presenting these to the Board.

The organisation prepares and submits financial statements and reports to meet all contractual and compliance obligations.

The organisation’s financial management contractual and compliance obligations are identified as part of the organisation’s Compliance Register, detailing the response, reporting and timing requirements.

## SECTION 12: FINANCIAL AUDIT

### 12.1 Audit of financial records

The organisation is required to undergo an audit of all financial records and processes for each financial year.

The financial audit must be carried out by an independent and qualified auditor who is registered with either the Australian Institute of Chartered Accountants or the Australian Society of Certified Practicing Accountants.

The financial auditor is given full and unhindered access at all reasonable times to all financial accounts, documents and records which the auditor considers necessary for audit purposes.

The **[insert relevant position/s]** and the CEO/Manager are available to support and clarify any queries the auditor may have in the course of the audit procedure, and to respond to any matters/deficiencies identified by the auditor.

The organisation ensures the following in all audit reports:

* Auditor’s qualifications and registration number(s) of relevant professional body or Australian Securities Insurance Commission (ASIC)
* Report is presented on the auditor’s letterhead
* Statement that examination of the organisation’s records has been completed in accordance with Australian Auditing Standards and has included substantive testing of the organisation’s systems
* List of financial statements which formed the basis of the report
* Findings of the audit
* Auditor’s signature and date which the report was certified
* **[insert other items as relevant].**

The Board Treasurer presents the full and complete audit report for the previous year at the organisation’s Annual General Meeting.

### 12.2 Selecting an auditor

The financial auditor is to be appointed each year at the organisation’s Annual General Meeting.

The financial auditor must not be a member of the Board or closely related to a member of the Board.

The current auditor shall be entitled to attend the Annual General Meeting.

Notice of intention to nominate an auditor to replace the current auditor is to be given to the Board’s **[insert position, e.g. secretary]** at least twenty-one (21) days before the scheduled Annual General Meeting.

## SECTION 13: FINANCE RECORDS

### 13.1 Record-keeping

The organisation maintains records of all financial transactions and related documentation, reports, decisions of the organisation and the Board of Directors, compliance requirements met, and notices sent and received.

Financial record-keeping complies with all contractual and legislative requirements.

Record-keeping applies to any financial information on computers, network servers, back-up systems, hardcopy filing and electronic and hardcopy archiving systems. Financial records are maintained in an organised filing system which facilitates the easy placement and location of documents.

Financial records include:

* Any financially related correspondence
* Bank statements
* Purchase documents
* Sale documents
* Donations
* Outstanding bills
* Paid bills and receipts
* Asset records, including instructions and guarantees/warranties
* Equipment and motor vehicle lease documents
* Insurance
* Cash book – record of receipts and payments
* Statutory information – constitution, budget and minutes
* Compliance records
* Payroll
* All contractual arrangements where there is a financial transaction
* **[Insert other record(s)].**

The organisation retains financial records for the required contractual and legislative period, prior to these records being securely destroyed.

### 13.2 Record security

Financial records are to be securely maintained, with measures in place to restrict access only to personnel with delegated authority.

The safe and secure disposal of financial records is undertaken by **[insert method e.g. shredding all documents to render them illegible or contracting out the secure disposal to recognised providers.]**

## SECTION 14. INTERNAL REFERENCES

### 14.1 Supporting Documents

* Bank register
* Asset Register Asset depreciation register
* Supplier Claim Form
* Expense Claim Form

### 14.2 Related Policies

* Organisational Development Policy
* Program Management Policy
* Human Resources Policy
* Service and Program Operations
* Governance Policy
* Risk Management Policy.

## SECTION 15: EXTERNAL REFERENCES

### 15.1 Legislation

* Associations Incorporation Act 2009 (NSW)
* Co-operatives Act 1982 (NSW)
* Corporations Act 2001 (Commonwealth)
* Electronic Transactions Act 2000 (NSW)
* Crimes Act 1900 (NSW)

### 15.2 Resources

* CPA Australia podcast
* A Guide To Understanding The Financial Reports Of Not-For-Profit Entities (2014),CPA Australia
* Financial management of not-for-profit organisations(2012)**,** CPA Australia,
* Incorporated Associations: Reporting and auditing obligations (2014), CPA Australia
* Damn Good Advice for Treasurers (2014), Our Community Pty Ltd.
* Financial reporting for charities (2014), Not-for-profit Law, Justice Connect
* Guide for Community Board Members (2013), Westpac Banking Corporation
* Guide for Community Treasurers (2013), Westpac Banking Corporation
* Record keeping for small business, 2012, Australian Taxation Office
* Protecting your organisation against fraud (2011), CPA Australia
* Internal Controls for Not for Profit Organisations (2015), CPA Australia
* Whistleblowing at your not for profit – a leaders guide (2017) Our Community; Your Call
* Charities, A Guide to Financial Reporting and Assurance requirements, (2013) CPA Australia
* Damn Good Advice on Cyber-safety and Fraud Prevention: (2017) Our Community

### 15.3 Websites

* Australian Accounting Standards Board, Australian Government
* Australian Business Register,Australian Government
* Australian Charities and Not-for-profits Commission, Australian Government
* Australian Tax Office, Australian Government
* Fair Trading, NSW Government
1. Australian Accounting Standards Board, Australian government [↑](#footnote-ref-1)
2. These accounting standards are set to bring about some significant changes to the revenue and income recognition practices of not-for-profit (NFP) entities. AASB 15 changes revenue recognition from the current “transfer of risks and rewards” model to a “transfer of control” model. AASB 1058 is expected to more closely reflect the economic reality of the underlying transaction and will replace the vast majority of AASB 1004 Contributions. [↑](#footnote-ref-2)
3. NationalStandard Chart of Accounts, April 2010, Australian Charities and Not for Profit Commission [↑](#footnote-ref-3)
4. Current ATO ‘cents per kilometre’ rates can be found at the ATO website [↑](#footnote-ref-4)
5. Current ATO travel allowance rates can be found at the ATO website [↑](#footnote-ref-5)