

Policy Guideline - Financial Management

Introduction

One of the basic rules of governance is good financial management practices. This policy is developed to ensure that Bayside U3A has sound financial management policy and practices in place.

Purpose

The purpose of this policy is to establish Bayside U3A's key principles and procedures relating to the financial management of the association in accordance with Bayside U3A's Constitution and any legislation relevant to the Association.

Policy

The purpose of the financial policy is to describe and document how the Committee of Management wants financial management activities to be carried out. In order to accomplish this, every financial policy needs to address five areas:

1. Assignment of authority for necessary and regular financial actions and decisions.
2. Policy statement on conflicts of interest.
3. Clear authority to spend funds, including approval, and cheque or electronic signing.
4. Clear authority to enter into contracts. Eg lease agreements
5. Clear responsibility for maintaining accurate financial records.

Procedures

1. Management of Funds
 - Bayside U3A to open an account with a financial institution from which all expenditure is made and into which all revenue is deposited.
 - All payments made by Bayside U3A must be approved by the Committee of Management and paid by cheque carrying two authorised signatures or by electronic bank transfer with two authorisers.
 - No payment should be authorised without evidence of the debt by way of invoice, voucher or receipt
 - PayPal account will be maintained to receive subscriptions and fees from members, with funds transferred to the bank account regularly. No payment should be made using the PayPal account.
 - The Treasurer is authorised to expend funds on behalf of Bayside U3A (including by electronic funds transfer) up to a limit of \$200 without requiring prior approval from the Committee for each item on which the funds are expended.
 - Repeated authorisation is not required for items of the same purpose and similar amounts (eg monthly electricity accounts).

- A member may only make a payment on behalf of Bayside U3A if they are authorised to do so by the requirement of their role, a Committee of Management decision, an endorsed policy or the Constitution. The member making the payment is accountable for that payment and must retain purchase confirmation and provide the Treasurer with the documentation for retention.
- Invoices for reimbursement of expenditure can be presented to the Treasurer or their delegate for payment. Reimbursement claims must identify who has approved the commitment. A person cannot be both the claimant and reimbursor for any expenses claimed.
- Expenditure greater than \$200 must be authorised by the Committee of Management or Executive.
- The Committee shall nominate four (4) Committee members who are to be approved bank signatories. Cheques may be signed by any two of the four signatories. The four (4) nominated Committee members may also authorise electronic bank transfers (any two to authorise).
- All funds must be deposited into the financial account of Bayside U3A no later than 5 working days after receipt.
- The Treasurer may delegate responsibility for the collection of money being paid for Membership and/or Activities, and it will be the responsibility of such persons to record the receipt of these funds on lists that show clearly the names of the persons making payments, the amount and the purpose for which the payment has been made.
- All funds due to Bayside U3A Inc must be lodged with the Treasurer or the Treasurer's nominee for banking at the earliest opportunity
- Bayside U3A's Treasurer is responsible for receiving and responding to enquiries about refunds for memberships, social functions or events fees once approved by the Committee of Management.
- With the approval of the Committee, the Treasurer may maintain a cash float, provided that all money paid from or paid into the float is accurately recorded at the time of the transaction.
- No later than 1 September, the Treasurer shall present to the Committee a progress report of the current financial year including recommended membership fees.

2. Financial Records

- Bayside U3A must keep financial records that:
 - Correctly record and explain its transactions and financial position and performance; and
 - Would enable true and fair financial statements to be prepared as required by the Act.
- The Treasurer must keep in his or her custody, or under his or her control:
 - The financial records for the current financial year; and
 - Relevant insurance policies
 - Any other financial records as authorised by the Committee.
- Each month the Treasurer will prepare the Treasurer's Report including cash balances, income and expenditure. At each Committee of Management meeting, the Committee will

consider and, as appropriate, approve the financial statements for the previous month.

3. Financial Statements

- For each financial year, the Committee of Management must ensure that the requirements under the Act relating to the financial statements of Bayside U3A are met including:
 - The preparation of the annual financial statements to be signed by the Treasurer and one member of the Executive.
 - Auditing of the annual financial statements
 - The submission of the audited financial statements members to the Annual General meeting of Bayside U3A for approval; and
 - The lodgement with ACNC/Consumer Affairs Victoria of the financial statements and accompanying reports, certificates, statements and fee.

4. Budget

- A budget should be prepared by the Treasurer and adopted by the Committee of Management before the beginning of the year covered by the budget.
- The budget is an estimate of likely income and expenditure, and not an authority to spend money. The Committee of Management may in adopting the budget specifically authorise expenditure on particular items in the budget.

5. Contracts

- All Contracts and Memorandum of Understandings should be approved by the Committee of Management.
- Any two Executive Members of the Committee are authorised to enter into contracts or Memorandum of Understandings which have been approved by the Committee of Management.
- The Course Co-ordinator and one member of the Executive are authorised to enter into any lease/hiring agreements.
- The Course Co-ordinator should report any lease/hiring agreements to the Committee of Management

6. Records and back up

- The Treasurer will record all income and expenditure using Cashbook accounting software.
- Records will be backed up on a monthly basis and kept in the central resource depository.
- Bayside U3A. will maintain its financial records for seven years.

Responsibilities

1. The Committee of Management will ensure that:

- A suitably qualified person is recruited to the role of Treasurer.

- Adequate support by means of a financial subcommittee, advisory group or Assistant Treasurer is established, if needed.
 - An approved budget for the year is determined and that expenditure is within budget.
 - Sufficient income is available to meet the budget requirements.
 - An audit is completed each year, for approval at the AGM.
 - A suitably qualified auditor is appointed at the AGM.
 - Decisions regarding investment are resolved by the Committee.
 - Decisions regarding Public Liability and Assets insurance are resolved by the Committee
 - The Treasurer and at least one other Committee Member are authorised to operate the bank accounts.
 - All contracts including lease/hiring agreements and Memorandum of Understandings are approved and minuted by the Committee.
 - They are responsible for developing, implementing, reviewing and publishing this policy.
2. It is the responsibility of the Treasurer that:
- Monthly financial management reports are prepared for the monthly Committee of Management Meetings.
 - Any variances to the budget are explained to the Committee.
 - A bank reconciliation is undertaken at the end of each month to ensure receipts and payments balance with deposits and withdrawals.
 - The signatories to the Bayside U3A bank account/s are current.
 - An Asset Register and Depreciation Schedule are maintained.
 - The Insurance Policies for both Public Liability and Assets are renewed annually.
 - All legal and taxation requirements are attended to and delivered on time.
 - A subsequent action plan is developed to respond to the auditor's report, if necessary.
 - An annual return is submitted to the ACNC/Consumer Affairs Victoria by the given date.

Related Policy Guidelines

Conflict of Interest

Risk Management

Data Retention

Cancellations and Refunds