

Financial Management Policy

Date: November 2001, reviewed 5/07/07, Reviewed 29/07/10, reviewed 17/07/14, reviewed 18/07/17, reviewed 17/04/19

Approved by Management Committee Date.....

Aim:

To ensure sound and consistent systems of financial management and control are in place.

To support the viability of the organisation, and meet statutory and legal requirements relating to a non-profit organisation.

To ensure the organisation meets its accounting and legal responsibilities under the Australian Government Tax System.

Background:

University Preschool & Childcare Centre is a non-profit, community based organisation whose main source of income is generated through fees paid by parents. Fundraising money is used to purchase additional equipment and resources for the children. Income is used to cover all expenses relating to staff salaries and accruals and day to day operations of the Centre.

Interest from the accounts is treated as income for the year it is earned.

The financial year operates between January and December. Accrual accounting processes are used to monitor income and expenditure; actual monthly and to-date expenditure is recorded on a cash basis in the financial statements.

The Treasurer and Director ensure:

- Areas of financial management abide by the organisation's constitutional rules and are conducted correctly and efficiently
- Reports are produced for Committee Meetings and the AGM.
- An Auditor is appointed at the AGM to undertake the audit process in early February.

The Treasurer is responsible for

- Ensuring the accuracy and completeness of the Centre's banking and accounting records. (The Centre employs an administrative staff member who is responsible to the Director for the Centre's book-keeping);
- Making payments authorised by the association, and ensuring that other required payments (eg, payroll, insurance, registration fees, etc) are made;
- Preparing and presenting monthly financial reports to each Committee meeting;
- Being available to discuss the state of finances as required at meetings;
- Preparing the annual financial statements and presenting them at the annual general meeting;
- Coordinating the annual audit and including results with the annual statement at the annual general meeting; and
- Ensuring that an annual budget for the centre is prepared.

The Director is responsible for managing all the affairs of the organisation on a daily basis, including those related to the Centre finances:

- Developing the budget;
- Implementing and supervising up-to-date financial management and recording systems;
- Monitoring wages and provisions;
- Acquitting Child Care Subsidy Claims;
- Managing bad debts in consultation with the administrative staff member; and,

- Supervising the administrative staff member in undertaking any of the above and other duties included in their duty statement.

The administrative staff member under the direction of the Centre Director is responsible for carrying out the following tasks:

- Collecting and receipting fees, including ANU payroll fee payments;
- Superannuation payments;
- Staff payroll: salary payments, and maintaining sick leave, annual leave, and LSL records;
- Payment of any union fee deductions;
- GST payments and credits;
- Business Activity Statements;
- Collecting Commonwealth Child Care Subsidy (CCS);
- Payments out-going.

Related Documents:

Procedure for Managing Equipment & Materials Budgets for Nursery, Toddlers and Preschool Sections (attached)

Implementation:

1. Storage of money

- Money will be stored in a safe and receipted and banked on the same or next day.
- A petty cash float to be determined by the director will be maintained and kept in the safe.
- Reimbursements must be accompanied by a receipt and a petty cash voucher.
- The petty cash is only used for small items of expenditure up to \$50.
- Payments over \$50 will be made by cheque or electronic funds transfer.

2. Signing cheques –

- Cheques will be signed by any two authorised Committee members (Refer following list) or the Director and a Committee member or the Assistant Director and a Committee Member. Authorised Committee members are:
 - President
 - Treasurer
 - Secretary
 - Vice President

3. Authorisation of Electronic funds transfer

- All payments to suppliers and reimbursements to staff made by electronic funds transfer through the banking software package will need to be authorised by any 2 of the following authorised people,
 - The Administration Assistant
 - The Director
 - The Director's Delegated representativewho will each be required to each enter a password known only to them.

4. Centre Debit Card

- A maximum of \$5000 to be stored in the account; with a daily limit of \$1000. Administration assistant and Director is to monitor use weekly. Any unusual transactions must be followed up with staff members immediately.
- Centre debit card will be stored in a safe. All purchases must be approved by the Director prior to purchase. A receipt must be retained and presented after each purchase.
- Only the Director, Assistant Director, Administration Assistant and Room leaders will be eligible to access to the card.

- Staff must sign the register to indicate date/time card has been taken and upon return. Staff are to ensure they take the necessary precautions in minimising risk of theft or fraudulent activity.
- Breaches of the conditions of this Policy will result in cancellation of the card and withdrawal of privileges. Breaching of this policy can lead to disciplinary action against the employee concerned. In all cases of misuse, the UPCCC reserves the right to recover any monies from the cardholder.
- Lost or stolen cards must be reported immediately to the Director.

5. Appointment of Auditor

- The auditor will be appointed at the AGM.

6. Monitoring Performance

- Financial Statements along with notes to accounts and a Balance Sheet, will be produced by the Clerical Assistant in the week prior to every Committee Meeting, for the Director and Treasurer.
- Financial Statements will be available at every Committee Meeting and the AGM in March.
- Supporting documentation filed in the Finance Office will include:
 - Monthly profit and loss statement
 - Budget analysis
 - Spreadsheet showing budgeted income and expenditure
 - Print out of fees receivable and CCB
 - Journal postings for the month
 - Trial Balance
 - Bank Reconciliation
 - Aged Debtors Listing
 - Closed set of monthly accounts
 - Personnel records
 - Administration records
- Minutes of Committee Meetings will include the Treasurer's Report accompanied by a full set of Financial Statements and will be stored in the Committee Minutes Record.
- The Director will review all financial management systems with the clerical officer on a quarterly basis, and implement any changes necessary to accommodate new accountabilities and ensure efficiency.
- The Director will meet with the Treasurer regularly by mutual arrangement.
- The Management Committee and Director may appoint a Financial Advisor to oversee accounting practice.

7. Setting Centre Budget

- In September of each year the Director will meet with the Treasurer to review the year-to-date income and expenditure in relation to the budget and to begin drafting a budget for the following year.
- The draft budget will be presented to the Committee at the October Committee Meeting along with a recommendation from the Treasurer with regard to possible fee increases.
- If the budget and recommendations are not accepted at the October meeting further review of the budget will be conducted during October so that the revised draft can be presented to the Committee for approval at the November meeting.

Source Material

The Australian National University – Risk Management & Audit Office, UPCCC Audit Recommendations & Findings from visit conducted on, 22/08/10

Date for Review. September 2020

Procedure for Managing Resource Budgets for Nursery, Toddlers and Preschool Sections

Date: April 1998, revised 12/07/06, reviewed 29/07/10, reviewed 17/07/14, 18/07/2017, 16/04/19

Aim: To ensure that funds are set aside in the Centre budget to enable each section to purchase equipment and materials for their needs.

To ensure that each section has a record of how much money has been spent and how much money is available to them throughout the year.

Procedure:

1. Equipment Expenditure will include:

- All children's play equipment, e.g. puzzles, blocks, outdoor equipment items, manipulative toys, etc.
- All children's furniture, e.g. tables, chairs, storage units, etc.

Expenditure on any individual equipment item over \$200.00 needs to be approved by the Director.

Materials Expenditure will include:

- All materials used for children's craft.
 - All consumable items used by the children, e.g. smocks, small toys, sand toys, etc.
- This does not include adult stationery which can be ordered through the office.

2. The amount of funds available for spending on Equipment and Materials during the coming year, January – December, will be set annually when the Centre budget for the coming year is determined. The budgets will be reviewed throughout the year and may be adjusted depending on Centre finances.
3. Fundraising activities e.g. Food Weeks or Sleep Overs, may be undertaken by a section for the purpose of buying items of equipment outside the scope of their allocated funds. All money raised through these activities will be:
 - added to their allocated funds
 - Given to the administration assistant to be kept in the safe or banked. No money should be kept in rooms.
5. The Centre administration assistant will record all expenditure for either Materials or Equipment by each section against the relevant expense accounts and will provide each section with an updated balance of funds available for Materials and Equipment each quarter.
6. If staff purchase materials or equipment for the children in their section out of their own money they will be reimbursed on production of a receipt, provided that the purchase was authorised by the room leader/section leader and that there are funds available.

To be reviewed in conjunction with the Finance Policy

Procedure for use of Centre Debit Card

Date: 16/04/19

Aim: To ensure the appropriate use of Centre Debit Card is that for purchase of equipment and resources for centre.

Procedure:

1. All purchases to be approved and co-signed by the Director or representative in their absence.
2. Only the Director, Assistant Director, Administration Assistant and Room leaders will be eligible to access to the Centre Debit Card.
3. Staff must read the Financial Policy and Procedure for use of Centre Debit card prior to taking Centre Debit Card.
4. Staff must sign register for Centre Debit card as acknowledgment of policy and procedures.
5. Staff must indicate expected expenditure, date/time card is collected and expected date/time of return of Centre Debit Card.
6. Receipts must be retained and presented after each purchase.
7. Lost or stolen cards must be reported immediately to the Director.
8. Director must contact the Bank immediately to cancel card. Commbank- 132221