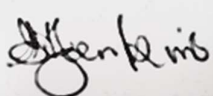


FINANCIAL MANAGEMENT POLICY

Date approved	27/6/22	Signature by Management representative	
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Previous versions	20/7/18		



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Internal ECS References	
In S:\0 CURRENT POLICY & PROCEDURES:	In S:\1 CURRENT FORMS:
<i>ECS Organisation Structure</i>	<i>Payments Requisition Form</i>
<i>Planning & Evaluation Policy</i>	<i>ECS Schedule of Fees</i>
<i>Management Committee Policy</i>	<i>Volunteer Worksheets</i>
	<i>Reimbursement Forms</i>
	<i>Bank Account Register, Management Approval Register, Insurance Register in H:\IMPORTANT DOCUMENTS</i>
	<i>ECS Annual Report, ECS Budget in M:\Budgets</i>
	<i>Personnel File cover sheet in H:\</i>
	<i>Staff Job Descriptions in M:\HR</i>

External References	
<i>Child Safe Standards at https://ocq.nsw.gov.au/resources</i>	<i>Aged Care Quality Standards at https://www.agedcarequality.gov.au/providers/standards</i>

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FINANCIAL MANAGEMENT POLICY

1. POLICY STATEMENT

ECS is committed to organised and transparent financial management processes to meet the requirements of relevant legislation, funding agreements and to manage risk.

1.1 Definitions

ECS workers = anyone who carries out work on behalf of ECS, including staff, volunteers [including management committee members], contractors and students on placement

1.2 Acronyms

ECS = Engadine Community Services

2. ROLES OF MANAGEMENT COMMITTEE, STAFF & CONTRACTORS

The ECS Management Committee is responsible for the overall financial management of the organisation, ensuring:

- ECS has an approved budget for the year, and that expenditure is within the budget (see Budget, below)
- ECS has sufficient income to meet the budget requirements
- the conditions of any funding agreements are as follows
- funds are properly accounted for and an audit is completed every year (see Annual Reporting, below)

The Treasurer (or President in the absence of a Treasurer) is the committee member with a specific role in financial management (see **Management Committee Policy**), to:

- make sure proper books of account are properly maintained and kept safe
- make sure monthly and quarterly financial reports are produced and presented at monthly Management Committee meetings
- make sure the financial requirements of funding bodies are met
- make sure Management Committee members understand the financial reports
- make sure an audit of the books is prepared each year and that the accounts of the Association, showing the financial position at the end of the preceding financial year, is submitted to members at the Annual General Meeting
- make sure funds are not being mismanaged

The ECS Management Committee delegates management of the day-to-day financial systems to the ECS Manager, who supervises and works in conjunction with the Finance Officer (see *ECS Structure* and relevant *Staff Job Descriptions*), to:

- draft, manage and review external contracts (staff and occasional consultants)
- develop and maintain appropriate budgeting procedures
- provide monthly financial reports to the Management Committee
- oversee payment of ECS expenses by the Finance Officer, including accounts, staff salaries and associated costs

The Finance Officer is delegated to:

- develop and maintain appropriate computerised accounting procedures
- ensure appropriate insurance coverage
- provide the auditor with relevant end-of-financial year reports
- provide funding bodies with relevant annual acquittals and reports in conjunction with the ECS Manager

Together, all ECS personnel work to agreed processes and performance indicators to achieve quality financial management practices.

3. ECS ACCOUNTS

3.1 Bank Accounts

ECS bank accounts are held at the banking institution approved by the Management Committee at any given time, and may include:

- One online account for receipt of government funding
- One cheque account for daily operation expenses of the organisation
- One cash management account for staff leave accruals

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There are six signatories on the accounts:

- Four Management Committee members
- ECS Manager
- ECS Finance Officer

The Finance Officer maintains a *Bank Account Register* and *Management Approval Register*.

4. ECS BUDGET

The ECS Management Committee makes financial decisions, including resource allocations, and monitors income and expenditure using an annual budget, which covers each financial year 1 July to 30 June.

4.1 Budget Development

Planning for each budget (*ECS Budget*) occurs as a part of ECS's annual planning (see **Planning & Evaluation Policy**) and routine review of monthly reports against budget (below). Key planning processes include:

- ECS's performance against the current year's budget is reviewed at the beginning of the last quarter of the year (April) and, with advice and costings provided by the ECS Manager and Finance Officer, the Management Committee may alter planned expenditure to ensure ECS activities meet the resources available for the remainder of the year
- issues for consideration in the next year's budget are discussed and potential actions, including changes to the *ECS Schedule of Fees* and budget structure, are collated by the ECS Manager and Finance Officer (April/May)
- the ECS Manager meets with the Finance Officer to finalise the current budget operations and end-of-financial year reports (below) and draft the next year's budget (May/June)
- the next year's draft budget is developed in electronic form by the Finance Officer and the ECS Manager, then it is presented to the Management Committee for approval, following any suggested changes
- the final budget is provided to the Management Committee and forms part of the induction of new Committee Members (see **Management Committee Policy**)

4.2 Budget Review

ECS Management Committee monthly meeting agendas include a financial report, which allows the committee to endorse all spending the ECS Manager has authorised on their behalf during the preceding month in accordance with the approved budget, and make decisions for the period ahead based on accurate, detailed budget information. A range of financial reports are produced by the Finance Officer for the Treasurer and ECS Manager each month

- Account Transactions
- Balance Sheet
- Bank Statements
- Profit & Loss Budget Analysis.

The ECS Manager and/or the Treasurer present the monthly reports detailing budget information to the Committee for endorsement, while highlighting any issues requiring Management Committee consideration and/or further discussion at the meeting (see **Management Committee Policy**), with the *ECS Budget* updated and as re-issued as required.

5. DAY-TO-DAY PROCESSES

The ECS Manager manages the day-to-day operations of ECS, including the financial processes to ensure:

- ECS meets all financial obligations as employer, insured body, taxpayer etc and adequate funds are set aside to cover ECS operating costs, including contingency funds
- ECS does not overspend their funds nor return an unexpended surplus to the funding bodies
- prompt payment of ECS accounts, salaries, insurances etc by the Finance Officer
- all monies received are recorded in the MYOB computer accounting system by the Finance Officer and deposited in the appropriate nominated accounts by the Finance Officer, either via direct debit or by cheque or petty cash deposits at the bank
- all payments by ECS (except petty cash) are made by cheque, or through electronic banking on or around alternate Wednesdays (wages and personal reimbursements to be paid by direct debit)
- cheques are signed by two (2) delegated persons, of which one (1) signatory is a Management Committee member or the ECS Manager (blank cheques are never signed)
- all cheque and electronic payment requisitions are authorised by the ECS Manager

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- all payments should be in accordance with the approved budget; individual non-budgeted items of \$500 or more need the approval of the Management Committee (lesser amounts may be committed prior to Management Committee approval, providing the ECS Manager checks that the budget is sufficient)

5.1 Payments by ECS

The Finance Officer processes items provided via email, post and lodged at the ECS office. This includes:

- invoices regularly received
- one-off invoices
- petty cash receipts
- claims for reimbursement of expenses by ECS personnel (either via a specific *Reimbursement Form* or *Volunteer Worksheet*)
- any additional correspondence or reading material relevant to the Finance Officer's role

One-off invoices, petty cash receipts and claims for reimbursement require a *Payments Requisition Form*. This details instructions for payment of each, including name of payee, amount to be paid, method of payment (generally direct debit), the budget category code/s from which the funds are to be drawn (see *current ECS Budget*) and authorisation signed and dated by the ECS Manager or a Coordinator.

Generally, the Building Communities Coordinator retains *Worksheets*; the Finance Officer's files contain bank statements, staff travel and receipts for reimbursements and invoices, and other documents relating to payroll.

5.2 Payments to ECS

ECS issues itemised GST invoices for all fees over \$5 payable to ECS, with the exception of one-off Social Support fees. ECS invoices are generally paid electronically, so the Finance Officer then issues the receipt via email.

In the case of room hire by groups, the individual amounts are collected by the group leader, who then provides the total amount with the attendance list. Cash payments are processed by various staff and volunteers, and handwritten receipts issued from a generic receipt book, listing:

- Date
- Name of the group
- No. of attendees @ \$ fee per head [per *ECS Schedule of Fees*]
- Minus agreed expenses [ie. afternoon tea]
- Remaining amount \$ cash

The receipt, the cash and attendance list is given to the Building Communities Coordinator for data collection systems; it is then given to the Finance Officer for processing as income (see *ECS Budget*)

In the case of payments for ECS services or membership fees, ECS staff or volunteers place the money/cheque in an envelope and write the following information on the front:

- Date
- Receipt no. #
- What's payment for [eg. Social Support] & invoice no. #
- Amount \$
- Cash or Cheque/Cheque no. #

The process is then to seal the envelope, sign it and deposit it in the large brown box near the Finance Officer's desk.

All ECS invoices are distributed by post or handed to recipients in person at ECS; accounts require payment within 30 days, or ongoing service may be suspended until payment is received.

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5.3 Petty Cash

The Finance Officer is responsible for managing cash payments and receipts via petty cash, which is locked securely in a filing cabinet. The starting float is \$200, and all expenditure, receipts and signatures of persons expending monies is recorded on petty cash slips.

6. ANNUAL PROCESSES

6.1 Audit

An annual audit is undertaken each year by a qualified auditor appointed by the Management Committee (see last *ECS Annual Report*). The Finance Officer provides the auditor with relevant files from the ECS office (*Payments Requisition Form*, invoices) and electronic files and documents (MYOB, bank statements, payroll etc). The Treasurer or President will present the audited report on the financial position of the organisation at the Annual General Meeting (see **Management Committee Policy**) and be available to answer questions from ECS members. The audit may occur in conjunction with processes and timelines required by government funding contracts and related Acquittals.

6.2 Insurance

The type of insurance cover and level of insurance cover will be decided by the ECS Management Committee after consultation with the ECS Manager and Finance Officer on shared needs and appropriate brokerage agencies. Insurance will include as a minimum:

- Public Liability to the value of at least \$10 million per claim
- Workers' Compensation
- Contents (fire, theft and burglary, personal accident and public liability)
- Directors and Officers insurance
- Professional indemnity
- Volunteer insurance

The Finance Officer maintains an *Insurance Register* recording the policy number, the insurance company, what it covers, the premium, the date paid and the expiry of the cover. Renewals for insurance policies will be included in the relevant report to the Management Committee.

6.3 Staff Vehicles

All staff and volunteers are required to have full comprehensive coverage through their own insurance policy if used for work purposes. Vehicle and insurance details, together with licence currency, is recorded in each ECS worker's *Personnel File*.

6.4 Management Committee

Volunteer Management Committee members are covered for any injury where they were not at fault in any way during the performance of their duties under the Directors and Officers insurance.

6.5 Contractors Register

The Finance Officer maintains a *Register of Contractors*, recording details of sub-contractors used in ECS services:

- NAME of BUSINESS
- Specific worker
- Contact Details
- Program area
- Service provided
- Qualifications/Certificates
- Current 1st Aid
- COVID 19 booster Vaccination Certificate
- Current Police Check
- WWCC Expiry date
- ABN
- Insurance