

Finance Policy

Contents

1.	Policy Objectives.....	2
2.	Policy.....	2
	Council.....	3
	Executive.....	3
	Finance Committee.....	3
	Honorary Treasurer.....	4
	Program Manager.....	4
	Bookkeeper.....	5
3.	Budget.....	6
4.	Gift Acceptance.....	6
5.	Association Liability and Professional Indemnity Insurance.....	7
6.	Related Parties.....	7
7.	Conflict of Interest.....	7



1. Policy Objectives

This document sets out the financial policy for The Association of Graduates in Early Childhood Studies (AGECS).

The purpose of financial management for all AGECS activities is to:

- fulfil the organisation's mission effectively and efficiently;
- protect the organisation against financial misconduct whilst maintaining a flexible process and avoiding unnecessary formality; and
- remain accountable to all internal and external stakeholders, including members and the community.

For AGECS to accomplish the above, it commits to providing accurate and complete financial information to Council and AGECS members in line with the constitution and Australian Charities and Not-for-profits Commission (ACNC) guidelines.

2. Policy

As far as possible, financial transactions carried out in the name of AGECS shall be governed by the principles below.

1. The Council is ultimately responsible for the financial management of AGECS. Accordingly, no payments shall be made in the name of AGECS unless the Council or a delegated authority has authorised such payment.
2. Payment authorisation can be made either through Council approval in the annual budget or by other avenues approved by the Council (such as through meetings or circulatory resolutions of the Council).
3. Complete records of payment authorisation should be kept on file and stored online in an approved and organisationally accessible folder.
4. Through the Honorary Treasurer, Program Manager and Bookkeeper, the Council shall have access to AGECS's financial records.
5. Continuous access to AGECS's accounting software, Xero, will be provided to Honorary Treasurer, President, Vice-President, Program Manager, and Bookkeeper.
6. No single person shall have the authority to carry through all processes (e.g. budgeting, authorisation, payment, and approval) to do with any:
 - payment or grant;
 - approval of a supplier; or
 - approval of an agreement or contract with an external party
7. Authority and Responsibilities

Council

The Council shall:

- 7.1. Review financial reports at each Council meeting.
- 7.2. Provide adequate training to Council members to enable each Council member to fulfil their financial oversight role.
- 7.3. Approve any contracts with a financial value greater than \$10,000.

Executive

The Executive:

- 7.4. is accountable to the Council.
- 7.5. comprises the President, Vice-President, Honorary Treasurer, Honorary Secretary, and Past President.
- 7.6. will seek approval from the Council for contracts with a financial value greater than \$10,000.

Finance Committee

The Finance Committee:

- 7.7. is accountable to the Council.
- 7.8. comprises the President, Vice-President, Honorary Treasurer, Investment Adviser, Financial Advisor, Program Manager, and Bookkeeper.
- 7.9. is responsible for:
 - setting and preparing the annual investment strategy;
 - advising the Program Manager of the likely revenue for the next financial year for use as the basis for the budget;
 - meeting quarterly, following the submission of quarterly BAS' (January/February, April, July, and October) to review investment performance;
 - providing minutes of its meetings to Council;
 - the approval of investment acquisitions and asset disposals is on advice from the Senior Investment Adviser and is the collective responsibility of the President, Honorary Treasurer, and Financial Advisor. Two of the three responsible individuals must provide written approval of individual transactions.

Honorary Treasurer

The Honorary Treasurer is:

7.10. accountable to and authorised to act on behalf of the Council on financial matters when it is required in advance of a meeting of the Council. The Honorary Treasury can delegate responsibilities and tasks to the Program Manager and Bookkeeper.

7.11. responsible for:

- authorising bills for payment, accounting for receiving funds, and maintaining bank accounts;
- limiting vendor credit accounts to prudent and necessary levels;
- signing contracts for activities that the Council has approved as a part of its budget;
- managing expenses within the parameters of the overall approved budget; reporting to the Council on variances and the reason for these variances;
- liaising between the Finance Committee and Senior Investment Adviser to ensure timely processing of the purchase and sale of listed stock and managed fund investments;
- making no contractual commitment for bank loans, corporate credit cards, or real estate leases or purchases without specific approval of the Council;
- transferring funds from the investment account to the business account to meet expenses; and
- ensuring the organisation has sufficient controls to maintain basic segregation of duties to protect bank accounts, income receipts, and payments.

Program Manager

The Program Manager is:

7.12. accountable to the Executive via the President.

7.13. responsible for assisting in the day-to-day financial management of the organisation. The Council authorises the Program Manager to:

- supervise employees and independent consultants;
- authorise payments up to the agreed budgeted amount. For expenses not allowed for in the passed annual budget, the Program Manager will need to seek the Council's approval via the Executive;
- obtain competitive bids for items or services costing in excess of \$5,000 per unit. Selection will be based on cost, service, and other elements of the contract. AGECS may award the bid to any provider and is not required to accept the lowest cost proposal;

- seek approval of any contract up to \$10,000 from the Executive;
- schedule Finance Committee meetings, and prepare and distribute agenda and minutes; and
- circulate financial reports prepared by the Bookkeeper to the Finance Committee and Council.

Bookkeeper

7.14. The Bookkeeper is responsible for maintaining financial records. Their duties include:

- Day-to-day bookkeeping of the organisation;
- Set up bank payments for authorisation;
- Report to the Honorary Treasurer on variances and the reason for these variances;
- Preparation of the statutory workpapers and lodgements, e.g. Business Activity Statements;
- Seek written approval of statutory lodgements from the Honorary Treasurer;
- Account for donor restricted and Council designated funds separately from general operating funds, and clearly define the restrictions applicable to these funds;
- Regularly reporting the financial results of AGECS operations before Council meetings and as required;
- Ensure payment of all obligations and file required reports in a timely manner;
- Record fixed assets with purchase prices greater than \$300 as capital assets in accounting records; and
- Depreciation of capital assets will not exceed five years for furniture and equipment or three years for computers and other technology equipment.

General

7.15. Payment Authority from the Business bank account

Payments from the business bank account are to be authorised by two Council Members, the President and Honorary Treasurer. The Program Manager will be the alternate second authority if the President or Honorary Treasurer is unavailable.

7.16. Use of business credit debit cards

The following positions have been provided with a debit card with the outlined limit associated with the business bank account. The use of debit cards must be for expenses outlined in the approved budget or an expense that has received Council approval.

Position	Limit
President	TBC
Honorary Treasurer	TBC
Program Manager	\$2,500
Engagement Coordinator	\$1,000

Debit card holders are responsible for obtaining a tax receipt for each transaction. If a tax receipt is lost or misplaced, the Payor must provide a written statement setting out the details of the transaction.

Tax invoices or receipts and statements must be provided to the Bookkeeper within seven calendar days of incurring the expense.

3. Budget

To ensure that planned activities minimise the risk of financial jeopardy and are consistent with Council-approved priorities, long-range organisation goals, and specific five-year objectives using responsible assumptions and projections.

3.1 The Budget process shall be as follows:

- The Program Manager to prepare a draft annual budget for review by the Executive and Finance Committee.
- The Executive to approve the draft annual budget in April each year.
- The Honorary Treasurer is to present the draft annual budget to Council for their review and adoption at the May Council meeting.

3.2 The Executive is to meet quarterly, following the quarterly BAS submission (January/February, April, July, and October), to review the expenditure against the budget.

4. Gift Acceptance

4.1 AGECS will accept stock or other negotiable instruments as a vehicle for donors to transfer assets to the organisation. Transfer and recording of the asset's value shall be done consistently and in compliance with accounting standards.

4.2 AGECS shall accept contributions of goods or services other than cash related to the programs and operations of AGECS. Any other contributions of non-cash items must be reviewed and approved by the Executive before acceptance.

5. Association Liability and Professional Indemnity Insurance

To ensure that the organisation is adequately protected and maintained, the Council, via delegation to the Program Manager, shall:

- 5.1 Insure against theft losses to the organisation and against liability losses to Council members, employees, or the organisation to levels indicated in consultation with suitable professional advice to avoid actions that would expose the organisation, its Council, or its employees to claims of liability.
- 5.2 Plan and carry out suitable protection and maintenance of equipment.
- 5.3 Protect intellectual property, information, and files from unauthorised access, tampering, loss, or significant damage.

6. Related Parties

- 6.1 There are to be no advances of funds to employees, officers, or directors.
- 6.2 AGECS shall not borrow funds from any employee, officer or director of the organisation.
- 6.3 Direct and necessary expenses, including travel for meetings and other activities related to carrying out responsibilities, shall be reimbursed up to \$100 and submitted for approval by the Honorary Treasurer via the Council Member Expense form.

7. Conflict of Interest

Any person who has an actual or potential conflict of interest in respect of any:

- payment or grant;
- approval of a supplier;
- approval of an agreement or contract with an external party; or
- contract of employment,

must declare that conflict of interest to the Council and either comply with any Council direction or withdraw from involvement in the transaction.

For questions about this policy, contact the President.

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