

Wirrawandi Aboriginal Corporation RNTBC (ICN 8870)

Finance Policy and Procedure Manual

Table of Contents

Finance Policy and Procedure Manual	2
Introduction.....	3
Finance Authorisation Policy.....	4
Purpose of the Policy	6
Procedures	6
Bank Account Policy	7
Purpose of the Policy	7
Procedures	7
Variations to Bank Account Terms and Conditions	7
Closing Bank Accounts	8
Bank Account Transactions	8
Petty Cash Policy	9
Purpose of the Policy	9
Procedures	9
Issuing Petty Cash.....	9
Reconciling Petty Cash.....	9
Use of Business Credit Card Policy	10
Purpose of the Policy	10
Procedures	10

Introduction

The Wirrawandi Aboriginal Corporation RNTBC (ICN8870) Financial Policy and Procedure Manual provides the policies and procedures for financial transactions within the business which must be followed by all staff. It also provides guidelines Wirrawandi Aboriginal Corporation RNTBC (ICN8870) will use to administer these policies, with the correct procedure to follow.

Wirrawandi Aboriginal Corporation RNTBC (ICN8870) will keep all financial policies current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

These policies and procedures apply to all employees.

Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Reviews Executive Director's performance annually and establishes the salary
4. Two members of the board will be appointed by the board to be authorized signers on the bank accounts
5. Reviews and approves all contracts over (\$100,000)
6. Reviews and approves all non-budgeted expenditures over (\$5,000)
7. Reviews and advises staff on internal controls and accounting policies and procedures
8. Determines whether the organization should have an audit and, if so, chooses and contracts with the auditor
9. Reviews and approves all financial reports including cash flow projections
10. Reviews and approves all grant submissions

General Manager

1. Sees that an appropriate budget is developed annually
2. Reviews and signs all issued cheques and/or approves check signing procedures
3. Reviews and approves all contracts within approved budget under (\$100,000)
4. Approves inter-account bank transfers
5. Is on-site signatory for all bank accounts – Westpac Accounts
6. Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank Reconciliations
7. Oversees the adherence to all internal controls
8. Approves all program expenditures
9. Monitors program budgets

10. Reviews all payrolls and is responsible for all personnel files
11. Reviews and manages cash flow
12. Reviews and approves all reimbursements and fund requests
13. Processes all inter-account bank transfers
14. Development of annual and program budgets
15. Reviews all incoming and outgoing invoices
16. Manages the petty cash fund
17. Receives and opens all incoming accounting department mail.
18. Monitors and manages all expenses to ensure most effective use of assets
19. Monitors grant reporting and appropriate release of temporarily restricted funds
20. Oversees expense allocations
21. Monitors and makes recommendations for asset retirement and replacement
22. Reviews, revises, and maintains internal accounting controls and procedures
23. Initiates donor thank you letter acknowledgements
24. Reviews all financial reports

Bookkeeper

1. Overall responsibility for data entry into accounting system and integrity of accounting system data
2. Processes invoices and prepares checks for signature
3. Makes bank deposits
4. Processes payroll
5. Maintains general ledger
6. Prepares monthly and year-end financial reports
7. Reconciles all bank accounts
8. Mails vendor checks
9. Manages Accounts Receivable
10. Manages Accounts Payables

Finance Authorisation Policy

Policy Number: WIR001

Policy Date: 24 December 2021

Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken.

This policy is to be read in conjunction with other specific finance policies where relevant.

Procedures

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction.

Where additional policy is noted, this policy must also be adhered to when undertaking the finance transaction.

Procedure	Authorised Person	Policy
Bank Accounts	Board of Directors	Bank Account Policy
Issuing Petty Cash	General Manager	Petty Cash Policy
Business Credit Card	General Manager	Use of Business Credit Card Policy
Payment of Invoices	Bookkeeper	
Property and Equipment	General Manager	
Personnel Records	Bookkeeper, General Manager	
Payroll Processing	Bookkeeper, General Manager	
Financial Reports	Bookkeeper	

Bank Account Policy

Policy Number: WIRR002

Policy Date: 24 December 2021

Purpose of the Policy

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

Procedures

Opening Bank Accounts

Any new bank accounts to be opened for the business must have the authorisation of Board of Directors.

For each new bank account opened, the financial system must be updated, and the bank account registered by the bookkeeper.

Bank Account Authorisations

For monies withdrawn from any bank account, whether by cheque, EFT or other online payment method, there must be two persons authorising for each payment.

The authorised persons for bank account payments are:

General Manager

Chairman

Board of Director x 2

Bookkeeper

Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

Variations to Bank Account Terms and Conditions

Any variations to banking arrangements can be made or varied by Board of Directors.

The bookkeeper is responsible for updating the financial system and/or bank account register with the new information.

Closing Bank Accounts

Where it is decided that a bank account is no longer necessary, Board of Directors will authorise the closure of the bank account.

The recommended bookkeeper or finance person will then be required to complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by {insert number of persons to authorise, recommended two} authorised signatories advising of the closure of the account;
- meet the bank's requirements with respect to account closure; and
- update the financial system and bank account register.

Bank Account Transactions

All deposits received must be banked within three business days.

Unallocated direct deposits of more than 1 month will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated to a suspense account.

Bank Account Reconciliations

1. All bank statements are given unopened to the General Manager. The General Manager reviews the statements for unusual balances and/or transactions.
2. The General Manager gives the statements to the Bookkeeper for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared cheques with the accounting record including amount, payee, and sequential check numbers.
3. The Bookkeeper will verify that voided cheques, if returned, are appropriately defaced and filed.
4. The Bookkeeper will investigate any cheques that are outstanding over six months.
5. The Bookkeeper will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.
6. The reconciliation report will be reviewed, approved, dated, and initialled by the General Manager

Petty Cash Policy

Policy Number: WIRR003

Policy Date: 24 December 2021

Purpose of the Policy

Petty cash should be used to pay for small business expenses up to \$100.00, where payments through accounts payable or credit card are not justified or appropriate.

Procedures

Issuing Petty Cash

Petty cash vouchers must be completed before any cash is taken from the petty cash float.

Only up to \$100.00 can be disbursed at any one time.

All petty cash vouchers issued must be approved by General Manager.

Once the petty cash is spent, a receipt or invoice should be attached to the voucher and returned to petty cash with any balance of monies unspent.

All completed vouchers must have the following details included:

- issue date of voucher
- name of person issued the voucher
- amount of monies disbursed
- details of expense
- tax invoice or receipt
- signature of approval person.

Reconciling Petty Cash

Petty cash float is to be reconciled monthly. This is the responsibility of bookkeeper.

All petty cash expenditure must be entered into the financial system once the petty cash has been reconciled.

The balance of monies and vouchers must equal the petty cash float amount before reimbursement can be made.

Reimbursement of petty cash will be authorised by General Manager.

Use of Business Credit Card Policy

Policy Number: WIRR004

Policy Date: 24 December 2021

Purpose of the Policy

This policy provides guidelines for the issue and use of business credit cards.

Procedures

An employee will only be issued a credit card once the Credit Card Authorisation Form has been completed.

The business credit card can only be used for travel, authorised entertainment and purchases of small value expenses or equipment up to the value of \$500.00. any one purchase.

No cash advances are to be taken using the business credit card unless authorised by General Manager.

Where a business credit card is lost or stolen, then the owner of this card is to notify the General Manager who is responsible for notifying the issuing agency and ensuring the card is cancelled.

The use of the business credit card is not to be used for personal expenses.

All holders of business credit cards are required to reconcile the monthly credit card statement to the expense form, attach all receipts for payments made on the credit card and have the expense statement authorised by General Manager.

Upon completion and authorisation of the monthly expense statement, these documents are to be forwarded to the bookkeeper for payment of the credit card statement.

All business credit cards are to be returned to the business when the person is requested to by Brian Wall or where they cease employment with the business.

Payment of Invoices

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Taxes/license fees
3. Staff training and development
4. Memberships and subscriptions
5. Meeting expenses
6. Employee reimbursements
7. Marketing/promotional materials

Checks are processed weekly. Invoices submitted to the Operations Manager by Wednesday will be processed and paid by Friday of the same week. Checks can be prepared manually within one day, but this should be limited to emergency situations.

Requests for cash disbursements are submitted to Accounting in three ways:

1. Original invoice
2. Purchase request (submitted on approved form)
3. Employee expense report or reimbursement request

All invoices must have the account code written on them and approved by the General Manager prior to being submitted to Bookkeeper.

Every employee reimbursement or purchase request must be documented on the approved form with travel authorization, receipts, nature of business, program allocation, and funding source (if applicable) before approving for reimbursement as follows:

Lodging - an itemized receipt from the hotel detailing all charges, the person(s) for whom the lodging was provided, and the specific business purpose.

Meals and Entertainment - a receipt must be provided showing the cost of food, beverage, and gratuities, including the names of every person for whom food or beverage was provided, and the specific business purpose.

Other Expenditures - a receipt from the vendor detailing all goods or services purchased (including the class of service for transportation) and the specific business purpose.

The General Manager reviews all requests for payment and:

1. Verifies expenditure and amount
2. Approves for payment if in accordance with budget
3. Provides or verifies appropriate allocation information
4. Provides date of payment taking into account cash flow projections
5. Submits to the Bookkeeper for processing

The Bookkeeper processes all payments and:

1. Immediately enters them into the Accounts Payable module
2. Prints cheques according to allocation and payment date provided by the General Manager
3. Submits cheques, with attached backup documentation, to Executive Director for approval and signature. All cheques more than \$2,500 require a second signature from an authorized board or staff member; cheques in excess of \$5,000 must be authorized by the Board of Directors
4. Stamps invoice "paid"
5. Mails cheques and appropriate backup documentation
6. Files all backup documentation in the appropriate file
7. Runs an accounts payable aging at the middle and end of each month and submits to the General Manager to assure timely payment of all invoices

Expense Allocations (as required)

Most non-salary expenses that benefit more than one cost center (administration, fundraising, and program) are spread across centers using a shared cost method. Under this method, the number of full-time equivalents (FTEs) within a department are divided by the total number of FTEs at the organization to determine the percentage of shared costs they should bear. This is done on a monthly basis by the General Manager. Occupancy expenses may be split between departments based on the percentage of square footage that is used by each department.

Property and Equipment

Property and equipment includes items such as:

1. Office furniture and equipment
2. Computer hardware
3. Computer software
4. Leasehold improvements

It is the organization's policy to capitalize all items which have a unit cost greater than one thousand dollars (\$1,000). Items purchased with a value or cost less than one thousand dollars (\$1,000) will be expensed in the period purchased.

The depreciation period for capitalized assets is as follows:

Computer Hardware 36 months

Office Equipment 60 months

Office Furniture 60 months

Computer Software 36 months

Leasehold improvements Length of lease

1. A Fixed Asset Log is maintained by the Bookkeeper including date of purchase, asset description, purchase/donation information, cost/fair market value, donor/funding source, identification number, life of asset.
2. The Log will be reviewed by the General Manager.
3. Annually, a physical inspection and inventory will be taken of all fixed assets and reconciled to the general ledger balances.
4. The General Manager shall be informed in writing of any change in status or condition of any property or equipment.
5. Depreciation is recorded at least annually. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Any impaired assets discovered during the inventory will be written down to their actual value.

Personnel Records

1. All personnel files contain the following documents: an application and/or resume, date of employment, position and pay rate, authorization of payroll deductions, W-4 withholding authorization, termination data where applicable, a signed confidentiality agreement, a signed acknowledgement of receipt of Employee Handbook, an emergency contact form, and other forms as deemed appropriate by the General Manager.
2. All employees will fill out an I-9 form and submit the allowable forms of identification to the General Manager.
3. The completed I-9 forms will be kept in a secure location separate from the personnel files.
4. All personnel files are to be kept in a secure, locked file cabinet and accessed only by authorized personnel.

Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted fortnightly on the first day after fortnightly pay period has passed.
2. Timesheets are to be kept daily and completed in ink – unless prepared electronically.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid and/or tape are not allowable.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the General Manager.
5. Any changes to the standing information of the payroll register from the prior period including addition of new employees, deletion of employees, or changes in base pay rate must be accompanied by an Employment Information Form and signed by the General Manager before the change can be made.
6. The Bookkeeper will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
7. Employees will be paid by direct deposit to a designated bank account, nominated by the employee

8. The General Manager will review payroll expenditures and allocations monthly.
9. All quarterly federal and state payroll reports will be prepared and filed appropriately.
10. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

Financial Reports

The Bookkeeper will prepare the monthly and annual financial reports for distribution and hand over the reports to the General Manager. The reports will include balance sheet, profit and loss, budget versus actual report for each program which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, cash flow projection, and any other requested reports.

Periodic and annual financial reports will be submitted to the Board of Directors for review and approval.