

The Junction Club House Cairns Ltd (The Junction)		
Policy: Financial management and delegations		
Policy number: JQS.P1.12 v2		Date adopted: 22/08/2018
Authorised by: The Board		
Date last reviewed: 15/07/2021	Reviewed by: Quality Review Panel	Date of next review: 15/07/2023
Related documents:		
Related policies and procedures, How to Task Lists, forms, registers or other organisational documents of The Junction	<ul style="list-style-type: none"> • Asset management policy • Budget policy • Organisational authority policy • The Junction Constitution • Code of Conduct policy • Privacy & Confidentiality policy • Service Agreements • Work, Health & Safety policy • Any other detailed How to Task List relating to financial processes • Annual Audit documents • Finance related forms (purchase orders, payment vouchers, etc) • Pay related forms (timesheets, leave applications, claim forms) 	
Other standards	<ul style="list-style-type: none"> • National Mental Health Standards • Human Services Quality standards • NDIS Practice Standards 	
Legislation or other requirements	<ul style="list-style-type: none"> • ASIC registration • ATO regulations 	

	<ul style="list-style-type: none">• Human Rights Act 2019 (QLD)
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1. Purpose:

The purpose of this policy is to guide how The Junction safeguards the funds that we manage by providing guidelines for who can approve expenditure, ensuring that financial records are kept to a proper standard and preventing fraud or mismanagement. This ensures that we protect and make the best use of our available funds.

In managing our finances well, we also provide accountability to our members for the use of organisational funds and to funding bodies or donors for the funds they have provided.

2. Scope

This policy will apply to all financial activities and funds of The Junction Clubhouse Cairns Ltd.

3. Policy statement: Our commitment

The Junction is committed to effective management of the organisation's finances and the prevention of fraud or mismanagement of its funds. Specifically, we will:

- Maintain appropriate records of financial transactions and accounts that comply with the Australian accounting standards
- Implement a system of approvals for financial transactions
- Document delegations of authority for approving financial expenditure
- Ensure safeguards are in place to prevent fraud and financial mismanagement
- Provide employees who are responsible for bookkeeping and financial management with relevant documented financial *How To Task Lists*.

4. Procedures

4.1 Maintaining appropriate records

The Junction Finance Officer will consider the following when providing bookkeeping and accounting systems and practices:

- Consultation of any system changes are to be with Operations Management
- Use of the standard chart of accounts
- Meeting Australian accounting standards

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- Ensuring that bookkeeping and associated activities such as payroll and taxation compliance are undertaken by appropriately skilled and qualified employees

4.2 Approvals and delegations

All expenditure by The Junction must be approved by the appropriate delegated person or people. Delegations of authority for expenditure are set by the Board:

- The Board must approve all expenditure over \$10,000
- The Director must approve all expenditure up to \$5,000 - in line with the budget.
- Amounts over \$5,000 and under \$10,000 must be approved by one Board member and the Director.

As part of our risk management strategy – the majority of funds will be retained in an interest-bearing Social Investment Deposit account – and will be transferred to the everyday account in batches sufficient to cover fortnightly expenses. A Bank Transfer form signed by the Director and the Finance Officer (or the NDIS Manager) is required before making this transfer.

Cheques are no longer used by The Junction as payment for invoices

Bank Cheques must have two signatures by Director and the Finance Officer (or Manager)

4.2.1 Petty Cash

The Junction no longer uses Petty Cash as of October 2020.

4.2.2 Employee Reimbursement

The Junction will reimburse its employees (including volunteers) expenses incurred by them on behalf of The Junction or during The Junction business so long as such expenses are:

- (1) Reasonable and
- (2) Authorised.

Reimbursement of reasonable but unauthorised expenses may be made on an *ex-gratia* (by favor) basis at the discretion of the Board Chair in exceptional circumstances only.

Employees and volunteers incurring authorised expenditure must, wherever possible, receive, retain, and produce receipts, invoices or tax invoices, vouchers, tickets, or other evidence of such expenditure.

4.2.5 Prohibited reimbursements

The Junction will not reimburse employees or volunteers for

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- Unauthorised expenses
- Expenses claimed by an employee as a tax deduction
- Expenses normally recoverable from a third party
- Claims for purchases that are required to be made under a purchase order
- Expenses that are not incurred for business purposes
- Overdue payment interest on personal credit cards
- Parking, traffic, or other fines and penalties.

4.2.6 Travel expenses

- The Junction will cover the travel cost, such as airfares for employees, members, and volunteers to attend training, forums, workshops etc
- Reimbursement to employees, members, and volunteers for the use of their own vehicle shall be determined by the organisation from time to time.

4.2.7 Accommodation expenses

- Employees, members, and volunteers will be reimbursed for moderate accommodation expenses, with prior approval, considering all the circumstances
- Employees, members, and volunteers will not be reimbursed for items of a personal nature charged to a hotel account.

4.2.8 Meals

- The Junction will cover the meal cost, such as airfares for employees, members, and volunteers to attend training, forums, workshops etc.

Employees, members, and volunteers incurring any authorised expenditure must submit requests for reimbursement to the Director on the standard *expense claim form*, describing the nature and purpose of the expenses. The completed form must be signed by the applicant and the Director

Except where *per diem* (per day) payments have been authorised, employees and volunteers incurring authorised expenditure must present all relevant original receipts, invoices or tax invoices, vouchers, tickets, or other evidence of such expenditure when seeking reimbursement. Where such evidence is for any reason lacking, statutory declarations shall be sought.

The Director is responsible for determining if the expenses being claimed are reasonable given the circumstances, and for ensuring they are charged against the appropriate account, and that any requirements under the Fringe Benefits Tax legislation have been met.

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Claims that have not been properly prepared, authorised, or supported by adequate documentation will be returned to the claimant and the reasons will be given for not processing the claim.

4.3 Obtaining quotes and calling tenders

The following identifies clear guidelines about what is required for any value of purchase, and is important in maintaining transparency and fairness in business dealings:

- When spending up to \$500 for an item or aggregate of same items, no quote required
- When spending between \$501 - \$1,000 for an item or aggregate of same items, obtain two verbal quotes
- When spending between \$1,001 - \$5,000 for an item or aggregate of same items, obtain two written quotes
- When spending between \$5,001 - \$10,000 for an item or aggregate of same items, obtain three written quotes
- When spending over \$10,000 for an item or aggregate of same items, call for tenders unless the Board is satisfied with the submitted quotes.

4.4 Debit/Credit and Store Cards

Debit /credit and/or store cards may be issued. Transaction cards issued to the Junction including those held in the name of any employees, members, and volunteers or officers on behalf of the organisation, will only be used for those activities that are a direct consequence of the cardholders' function within the organisation. Their use will be monitored according to the procedures listed below.

Any use of the card inconsistent with this policy and these procedures will be grounds for disciplinary action and/or dismissal.

4.4.1 Card Issue

Cards may be issued on a temporary basis and recovered afterwards.

Only the authorised signatory may use the card. No more than one card shall be issued per cardholder. Credit limits as appropriate shall be set for each card by the issuing authority.

Store cards require a letter of authority issued by the Director to appoint employees, members, and volunteers to use the card for normal business operations for the Junction.

4.4.2 Cardholder's Responsibilities

The Cardholder shall:

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- In all cases obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice) or shall in lieu provide a statutory declaration
- Provide the tax invoices to the Finance Officer on a monthly basis
- Verify that that goods and services listed were received
- The Director must notify the bank immediately if
 - The card is lost or stolen; and/or
 - Any unauthorised transaction is detected or suspected.
- Notify the bank of any change in name or contact details
- Take adequate measures to ensure the security of the card
- Return the card to the Board Chair if
 - The cardholder resigns
 - the Board Chair determines that there is no longer a need for the cardholder to retain his or her card; or
 - the card has been cancelled by the bank.
- Be personally liable for any unauthorised transaction unless the card is lost, stolen or subject to fraud on some part of a third party.

The Cardholder shall not:

- Exceed any maximum limits set for the card from time to time
- Obtain cash advances through the card, other than in the event of a critical incident as per the ***Business Continuity and Disaster Preparedness policy***.
- Use the card for any prohibited purchases
- Authorise their own expenditure that is outside their delegation authority

4.4.3 Card Expenditure

The card will only be used for those activities that are a direct consequence of the cardholders' function within the organisation.

The use of the corporate card for "services of a dubious nature" is expressly prohibited. "Services of a dubious nature" are defined as any goods or services that might bring the name of the organisation into disrepute.

4.4.4 Card Misconduct

Wherever a breach in this policy occurs, the Director and the Board must assess and investigate the nature of the breach and institute an appropriate disciplinary process, including (without limitation of The Junction's right to summarily dismiss an employee for serious misconduct):

- counselling and / or verbal warning (and diary or file note created and retained on employee's personnel file); and

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- a written warning.

The Director may determine whether to report a breach of the policy to the police for criminal investigation.

4.5 Payroll

The Junction Finance Officer will provide the following when providing payroll functions for the Junction:

- Calculate pays (with reference to approved timesheets, salary packaging documents, approved leave forms, and reimbursement claim forms)
- Ensure sufficient leave entitlements are in place and Leave Application forms are signed by management when required
- Ensure pay rates are updated in line with the relevant Fairwork Australia Award
- Manage payroll discrepancies
- Ensure end of year summaries are cross checked and finalized prior to 31 July annually.
- Pay necessary PAYG, Superannuation, Child Support Allowances and Workcover payments on time.
- Forward salary sacrifice template to Provider and ensure the matching payment amount is also processed
- Payroll functions to ensure that compliance with any state or federal laws.

4.6 Tax Obligations and Superannuation

The Junction Finance Officer will ensure the following:

- Tax installments must be deducted for all payments of salary in accordance with details provided by employees via Tax Declaration Forms
- End of Financial Year Payroll Reporting is to be completed in MYOB including the grossed-up salary packaging component relevant to the FBT year
- Monthly or quarterly superannuation must be processed and paid by the 28th day of the month - according to the amounts recorded in MYOB during the payroll process.
- Each month, the ATO must receive The Junction's PAYG taxation payments. An accurate sum of taxation held for the month period must be recorded and forwarded to the ATO.

4.7 GST and FBT Requirements

The Finance Officer will ensure the following:

- All taxation paid for goods and services must be accurately recorded on an ongoing basis as part of all receipting and accounting purposes

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- Monthly reporting to the ATO re GST expenditure will be made with claims for reimbursement of GST components of expenditure for the organisation's standing as a charitable and public benevolent body.
- Preparation and lodgment of monthly BAS
- Fringe Benefit reporting to ATO will be made on an annual basis, the fringe benefit year being from 1 April to 30 March

4.8 Preventing fraud and financial mismanagement

The Junction will not tolerate fraud in any aspect of its operations.

The Junction will investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation, as deemed necessary, will be conducted, regardless of the position, title, and length of service or relationship with the organisation, of any party who might be the subject of such investigation.

Any fraud shall constitute grounds for dismissal. Any serious case of fraud, whether suspected or proven, shall be reported to the relevant and appropriate authorities such as the police and ASIC.

Any person who suspects the commission of a fraud, related to the operations of The Junction, is required to immediately report it to the Director and the Board Chair. Any person reporting a fraud, or a suspected fraud, shall not be penalised for raising a concern of this nature.

4.8.1 Responsibilities relating to fraud

The Board of The Junction has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.

The Board is responsible for dealing with and investigating instances of fraud reported to them.

The Director must ensure that they:

- Assess the risk of fraud within their area of control
- Educate employees, members, volunteers and contractors about fraud prevention and detection; and
- Facilitate the reporting of suspected fraudulent activities.

All employees, members, and volunteers share in the responsibility for the prevention and detection of fraud.

4.8.2 Reporting fraud

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All employees, members, and volunteers have the responsibility to report suspected fraud.

Any employees, members, and volunteers who suspects fraudulent activity must immediately notify the Director about the concern.

Employees, members, and volunteers or contractor must notify the Chair of the Board, in situations where the suspected fraud involves the Director.

4.8.3 Step-by-step guide: Responding to suspected fraud:

1. Upon notification of an allegation pertaining to fraud, the Chair of the Board will promptly arrange to carry out an initial review into the allegation
2. After an initial review and a determination that the suspected fraud warrants additional investigation, the Chair of the Board shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives will be involved in the process, as deemed appropriate
3. Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records / information and placing them in a secure location, limiting access to the location where the records / information currently exists, and preventing the individual suspected of committing the fraud from having access to the records / information
4. If an allegation of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal (or termination of an individual's right to work as a contractor or volunteer), shall be taken by the Director
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a *prima facie* (accepted as correct until proved otherwise) case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organisation will make every effort to keep the investigation confidential; however, employees may need to be consulted to assist with a review / investigation.

4.9 Providing documented procedures

How To Do Task Lists have been developed in detail for employees, members, and volunteers to use outlining the required procedures for the following:

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- Money-handling procedures for employees collecting or processing money (receipting, banking, reconciling)
- Bookkeeping instructions for employees coding / entering financial transactions into the accounts
- Monthly monitoring and checking procedures.
- Credit/Debit/Store Card reconciliation procedures.

5. Review processes

Policy review frequency: Bi-Annually	Responsibility for review: The Quality Review Panel
Review process: The Director, as Chair of the Quality Review Panel convenes the panel to conduct reviews.	
Documentation and communication: All policy decisions will be documented and communicated through the Quality Review Panel observing the Document Control HTTL. Note: add version number after review.	