



# AUSTRALIAN CHEER UNION

## **Australian Cheer Union FINANCIAL POLICY AND PROCEDURE MANUAL**

**VERSION FM 1.1  
12<sup>th</sup> November 2019**

# Finance Policy and Procedure Manual

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# Introduction

The Australian Cheer Union 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 Australian Cheer Union will use to administer these policies, with the correct procedure to follow.

Australian Cheer Union 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. Any feedback in relation to these manuals can be forwarded to the Finance Officer (interim measures the Treasurer of the National Board)

These policies and procedures apply to all employees.

# Finance Authorisation Policy

Policy Number: FMP001.1

Policy Date: 12<sup>th</sup> November 2019

This policy should be read and carried out by all staff for all authorisations of finance transactions as noted in the policy.

## 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.

<b>Finance Transaction</b>	<b>Authorised Person</b>	<b>Additional Policy</b>
Bank Accounts	Chief Executive Officer (Interim National Board)	FMP002.1
Issuing Petty Cash	Chief Executive Officer Treasurer / Finance Officer	FMP003.1
Business Credit Card	Chief Executive Officer Treasurer / Finance Officer	FMP004.1
Authorising New Suppliers	Treasurer / Finance Officer	FMP005.1
Purchasing Assets/ Equipment	Chief Executive Officer	FMP006.1
Debt Collection	Treasurer / Finance Officer	FMP007.1
Payment of Invoices	Treasurer / Finance Officer	FMP008.1

<b>Finance Transaction</b>	<b>Authorised Person</b>	<b>Additional Policy</b>
Bank Reconciliations	Treasurer / Finance Officer	FMP009.1
GST Reporting and Payment	Treasurer / Finance Officer	FMP010.1

# Bank Account Policy

Policy Number: FMP002.1

Policy Date: 12<sup>th</sup> November

This policy should be read and carried out by all staff for all authorisations of opening, operating and closing bank accounts.

## **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 Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors)

For each new bank account opened, the financial system must be updated, and the bank account registered by the Finance Officer. (Interim measures to include the Treasurer of the National Board)

### **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:

Finance Officer (Interim measures the Treasurer of the National Board)

Chief Executive Officer (Interim measures to include authorisation from the President / Chair of National Board of Directors)

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 Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors) in consultation with the National Board of Directors. This could be linking of high interest bearing accounts, adding

additional credit cards/debit cards, changing second signatory on the bank account or adding a third signatory or increasing credit limits on credit cards.

Finance Officer (Interim Measures the Treasurer of the National Board) 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, Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors) will authorise the closure of the bank account.

The Finance Officer (Interim Measures the Treasurer of the National Board) 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 two working days.

Unallocated direct deposits of more than one month will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated to an allocated suspense account to keep these funds separate and identifiable.

Cheques outstanding for more than twelve months will be reallocated back to the business through the financial system.

Where a payment stop on a cheque is required, this will be authorised by the Finance Officer (Interim Measures the Treasurer of the National Board) who will be responsible for carrying out the following duties regarding payment stop on a cheque:

- ensuring the cheque has not already been presented at the bank
- getting authorisation to action the stop payment using appropriate forms from the bank
- ensuring the bank receives notification of the stop payment notice



- receiving confirmation of action from the bank of the stop payment
- ensuring the details of the stop payment are kept in the stop payment folder.

# Petty Cash Policy

Policy Number: FMP003.1

Policy Date: 12<sup>th</sup> November 2019

## Purpose of the Policy

Petty cash should be used to pay for small business expenses up to \$100 where payments through accounts payable or credit card are not justified or appropriate.

## Procedures

### Issuing Petty Cash

It is recommended that \$300.00 be kept as petty cash.

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

Only up to \$100 can be disbursed at any one time and to only one recipient at each request

All petty cash vouchers issued must be approved by Chief Executive Officer (Interim measures to include authorisation from the National Board of Directors).

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. Reconciliation can occur more frequently if required to ensure that there is always a minimum of \$100.00 available in Petty Cash. This is the responsibility of Finance Officer (Interim Measures the Treasurer of the National Board).

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 Finance Officer (Interim Measures the Treasurer of the National Board).

# Use of Business Credit Card Policy

Policy Number: FMP004.1

Policy Date: 12<sup>TH</sup> November 2019

## **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 and authorised by the Chief Executive Officer (interim measures to include authorisation from the National Board of Directors). The card must only be used by the authorised employee who is responsible for and held accountable for all transactions/expenses incurred.

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 unless prior approval is gained from Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors)

No cash advances are to be taken using the business credit card unless authorised by Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors)

Where a business credit card is lost or stolen, then the owner of this card is to notify the Finance Officer (Interim measures the Treasurer of the National Board) 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 Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors).

Upon completion and authorisation of the monthly expense statement, these documents are to be forwarded to the Finance Officer (Interim measures the treasurer of the National Board) 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 Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors) or where they cease employment with the business.

# New Supplier Policy

Policy Number: FMP005.1

Policy Date: 12<sup>th</sup> November 2019

## Purpose of the Policy

All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

## Procedures

### Choosing a New Supplier

A new supplier must provide our business with a quality product, great service, competitive pricing, efficient delivery.

All items over the value of \$500 must be supplied by authorised suppliers. For items over the value of \$1000.00 three quotations must be provided. (as per the purchasing policy) For each new supplier the following information table must be completed prior to agreeing services.

### Supplier Selection Background Information

Business Name of Supplier: \_\_\_\_\_

Location of Supplier: \_\_\_\_\_

Products/Services provided by supplier: \_\_\_\_\_  
(Attach a list if necessary)

Name of business owner/ sales representative: \_\_\_\_\_

### Supplier Selection Review Checklist

For each new supplier being considered the following checklist must be completed

Is the supplier pricing competitive? Attach Supplier Price list/quotation (if available) to this checklist: \_\_\_\_\_

What are the payment terms for this supplier? \_\_\_\_\_

What is the return policy for this supplier: \_\_\_\_\_

Does the supplier provide warranties, guarantees etc.?: \_\_\_\_\_

Are the supplier's representatives knowledgeable of the products/ services and industry?: \_\_\_

Is there an alternative to this supplier, has the alternative supplier been considered?: \_\_\_\_\_

If purchase is over \$1000.00 have three quotes been sourced? \_\_\_\_\_

What are the delivery services of the supplier?: \_\_\_\_\_

Has the supplier been trade checked (if applicable): \_\_\_\_\_

### **Appointment of Supplier**

The appointment of a new supplier will be authorised by Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors).

All relevant details of the supplier will be entered into the financial system by the Finance Officer (Interim measures the Treasurer of the National Board) once approval is obtained from Chief Executive Officer. (Interim measures to include authorisation from the National Board of Directors).

The Finance Officer (Interim measures the Treasurer from the National Board) will review information entered into the financial system and independently verify the bank account or other payment details of the supplier to ensure payments made are to the correct supplier.

### **Supplier Payment Terms**

All purchases from suppliers must be supported by a purchase order – refer to the [Purchasing](#) policy.

Payment terms for all suppliers must be reviewed by Finance Officer/Purchasing Officer (interim measures the treasurer of the National Board) every twelve months to allow for renegotiation of payment terms if applicable. All supplier payment terms must be a minimum of 7 days.

All supplier payments are to be reviewed at least once a quarter to ensure that payment terms are adhered to. For payments made to any suppliers earlier or later than the agreed terms the Finance Officer/Purchasing Officer (interim measures the treasurer of the National Board) will prepare a report that details the reasons why payment terms have not been adhered to.

This report will be reviewed and authorised by the Chief Executive Officer.

### **Additional Policies for Suppliers**

Purchasing Policy

# Purchasing Policy

Policy Number: FMP006.1

Policy Date: 12<sup>th</sup> November 2019

## Purpose of the Policy

This policy provides guidelines for the purchase of goods, services, equipment and assets for the business.

This policy is applicable for all purchases over \$100.

Where items to be purchased are less than \$100, then the petty cash policy is to be used.

## Procedures

### Request for Purchase

All purchases for business items must be requested through a purchase order.

All items over the value of \$500 must be supplied by authorised suppliers – refer to the New Suppliers Policy where the supplier is not an existing supplier.

For items over the value of \$1000.00 three quotations must be provided.

A request for purchase must address the following criteria:

- purchasing that promotes environmental sustainability
- value for money
- preference to Australian/ locally produced.

All purchase orders must be authorised within the following guidelines:

Items Purchased	Persons Authorised	Second Authorisation
Retail Stock	Finance Officer / Purchasing Officer	Chief Executive Officer
Spare parts, components etc.	Finance Officer / Purchasing Officer	Chief Executive Officer
Equipment	Finance Officer / Purchasing Officer	Chief Executive Officer

Items Purchased	Persons Authorised	Second Authorisation
Assets	Finance Officer / Purchasing Officer	Chief Executive Officer

All authorised purchase orders are to be copied and one distributed to the Finance Officer (interim measures to include the treasurer of the National Board of Directors with estimated payment date and one to be maintained by requesting officer who will check receipt of purchase against the purchase order when received.

## Equipment Asset Purchases

All equipment and asset purchases must be entered in the financial system by Finance Officer (interim Treasurer of the National Board) with the following details included:

- date of purchase
- supplier
- make, model, warranty/guarantee information.

## Service Agreements

All agreements for the provision of services to the business in excess of \$500 are to abide by this policy.

## Receipt of Purchases

All purchases received are to be checked against purchase order and noted as correctly supplied.

Once correct receipt has been recorded, this will be recorded on purchase order and forwarded to Finance Officer (Interim Treasurer of the National Board) for payment of purchase.

## Additional Policies for Purchasing

Petty Cash Policy

Use of Business Credit Card Policy



# Customer Debt Collection Policy

Policy Number: FMP007.1

Policy Date: 12<sup>th</sup> November 2019

## Purpose of the Policy

This policy provides guidelines for the collection of late payments from customers.

## Procedures

An aging debtor report is to be run once a week. All overdue customer payments are to be noted and the following procedures undertaken until recovery of outstanding amounts.

- **First Contact:** Once the payment is overdue, phone or email the customer. Remind them that payment is due and has not been received. Ask them when they will be paying and keep a record of the conversation or email. Remember to be polite and professional, they may have forgotten or paid into the wrong bank account.
- **Overdue reminder:** If they do not respond to the phone call or email, try contacting someone else in the business. Let them know who you are trying to contact. This often results in a return response from either the person you were trying to contact or someone else from the business. Make a note of all conversation details on the overdue customer payment record. The Xero Financial system allows for notes to be made against the customer.
- **Final notice:** When a payment is overdue for 20 working days a final notice is to be sent by email. A record of this notice must be entered onto the overdue customer payment record.
- **Direct contact:** Where there has been no response to the final notice within 3 working days then the Finance Officer (Interim measures the treasurer of the National Board) must either visit the customer or phone where previous contact has been by email. The purpose of this step is to secure a date of payment. A record of this notice must be entered onto the overdue customer payment record.
- **Formal letter of demand:** Where payment still remains outstanding 5 working days (unless other arrangements were made) after direct contact has been made or there has been an unsatisfactory response from the customer, authorisation from Chief Executive Officer for the formal letter of demand to be issued must be obtained. Once authorised this letter is to be sent via registered mail and a record of this notice must be entered onto the overdue customer payment record.

- **Debt collection agency:** Where the amount outstanding is in excess of \$500.00 and the Chief Executive Officer (interim measures the National Board of directors) has approved, a debt collection agency is to be appointed to recover the debt.
- **Write off debt:** Customer payments that remain outstanding for 90 days are to be written off as bad debts and no further sales are to be undertaken with that customer without approval from the Chief Executive Officer (interim measures the National Board of Directors).

# Payment of Invoices Policy

Policy Number: FMP008.1

Policy Date: 12<sup>th</sup> November 2019

## Purpose of the Policy

This policy provides guidelines for the payment of supplier invoices.

## Procedures

Payment is to be made by the due date on the supplier invoice unless otherwise authorised by the Chief Executive Officer (interim measures the National Board of Directors).

The Finance Officer (interim measures the treasurer on the National Board) is to process the payment via the bank account. *(further details to be added on transaction processing once bank account opened)*

Payments will only be released from the bank account upon final authorisation from the Chief Executive Officer (interim measures the chair / president National Board of Directors).

Payments to be entered against invoice in the financial system and any supporting documentation filed for audit purposes.

# Bank Reconciliation Policy

Policy Number: FMP009.1

Policy Date: 12<sup>th</sup> November 2019

## **Purpose of the Policy**

This policy provides guidelines for the reconciliation of bank accounts.

## **Procedures**

Bank accounts are to be reconciled a minimum of once a month.

Reconciliation dashboard to be opened on the financial system.

Bank Statement to be obtained for the month in question.

Transactions to be compared from the financial system to the bank account statement.

Investigation to be undertaken for any transactions that cannot be balanced. (Possibly incorrect dates have been used etc).

Once all transactions have been balanced and recorded then a reconciliation report can be produced.

Reconciliation report to be filed for audit purposes.

# GST Reporting and Payment Policy

Policy Number: FMP0010.1

Policy Date: 12<sup>th</sup> November 2019

## **Purpose of the Policy**

This policy provides guidelines for the collection, payment and recording of the Goods and Services Tax and PAYG.

## **Procedures**

Ensure all procedures relating to the Bank Reconciliation have been undertaken prior to commencing the GST process.

GST and PAYG reports are to be made quarterly. GST reports to be run from the financial system and reviewed. Ensure there are no incorrectly recorded transactions.

Run PAYG report and Superannuation Report. Ensure all Tax Office protocols are followed when processing payroll transactions.

Once all transactions have been confirmed run final GST Reports and BAS Statement report.

Complete online Business Activity Statement and lodge prior to or on due date.

Payment of GST and PAYG should be made at the same time as lodgement unless prior arrangements have been made with the Australian Taxation Office.