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Financial Management Policy

Policy number	[22-1]	Version	[1]
Drafted by	[Dan O'Keeffe]	Approved on	[8th June, 2022]
Responsible person	[Dan O'keeffe]	Scheduled review date	[8th Dec 2023]

1. **Introduction**

To protect Vicphysics Teachers' Network against financial misconduct it is necessary that all forms of financial transfers be secured through closely regulated approval processes.

2. **Purpose**

The purpose of this policy is to:

- Ensure that all expenditures made in the name of the organisation are authorised and independently reviewed.
- Guard against any potential abuse of payments procedures, while maintaining flexibility and avoiding unnecessary formality.

3. **Policy**

3.1 Financial transactions carried out in the name of Vicphysics Teachers' Network shall, as far as possible, be governed by the following principles.

3.2 No payments shall be made in the name of Vicphysics Teachers' Network unless such payment has been authorised by the Committee.

3.3 Payment authorisation can be made either through Committee approval in the annual budget or by other avenues approved by the Committee (such as through a written delegation of the Committee).

3.4 Complete records of payment authorisation should be kept on file.

3.5 The Committee, through the Treasurer, shall have continuous access to Vicphysics Teachers' Network's bank statements and accounts, books and records.

3.6 No single person shall have the authority to carry through all processes (budgeting, authorisation, payment, approval) to do with any:

- payment
- approval of a supplier
- approval of an agreement or contract with an external party
- loan from Vicphysics Teachers' Network's funds
- contract of employment.

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

- payment
- approval of a supplier
- approval of an agreement or contract with an external party
- loan from Vicphysics Teachers' Network's funds
- contract of employment,

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

3.8 All payments except credit card shall require signatures (or equivalent validations) from two persons with properly delegated authority.

3.9 Financial transaction cards may only be issued to a person approved by the Committee.

3.10 Cardholders must obtain a tax invoice or 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 President with each monthly account statement.

Financial Management Procedures

Procedure number	[22-1]	Version	[1]
Drafted by	[Dan O'Keeffe]	Approved on	[8th June 2022]
Authorised person	[Dan O'Keeffe]	Scheduled review date	[8th Dec 2023]

1. Responsibilities

1.1 It is the responsibility of the Committee to:

- Approve a budget for Vicphysics Teachers' Network and authorize any departures from that budget.
- Maintain supervision of the financial progress of the organisation.

1.1.1 It is the responsibility of the President to ensure that:

- Procedures consistent with this policy are implemented.
- Reports on the implementation of these procedures are regularly submitted to the Committee.
- Staff and volunteers are aware of this policy and these procedures.
- The Financial Delegations Register is maintained.
- Any breaches of this policy or procedures are dealt with appropriately.

1.2 It is the responsibility of all employees and volunteers to ensure that any payment made on behalf of the organisation conforms to this policy and those procedures.

2. Processes: Payments

Financial transaction card use

2.1 Any organisational financial transaction cards (credit or pre-paid debt cards) may only be issued to a Committee member, staff member, or volunteer where their functions and duties would be enhanced by their use. Cards will thus be issued only to people on the approved list of card users. The list shall be held by the President and be made available to the Treasurer on request.

2.2 Other persons may be added to the list by the Committee.

2.3 Financial transaction cards may be issued on a temporary basis and recovered afterwards.

2.4 Each financial transaction card will be issued to a specific person, who will remain personally accountable for the use of the card. Cardholders will sign a declaration to this effect.

2.5 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 Committee.

Cardholder's Responsibilities

2.6 The Cardholder shall:

- In all cases obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice or receipt) or provide a written statement in lieu (the President may require a statutory declaration).
- Attach supporting documentation to the monthly statement from the bank.
- Review the monthly statement for inaccuracies and report these to the President.
- Verify that that goods and services listed were received.
- Sign the monthly statement to verify that transactions have been made for official purposes.
- Forward the papers to the Treasurer for approval
- Notify the bank and the President immediately if:
  - The card is lost or stolen
  - Any unauthorised transaction is detected or suspected
  - A personal expense has inadvertently been charged to the card.
- Notify the President and the bank of any change in name or contact details.
- Take adequate measures to ensure the security of the card.
- Cease using the card and promptly return the card to the President if:
  - The cardholder resigns
  - The President determines that there is no longer a need for the cardholder to retain their card

- 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.

2.7 The Cardholder shall not:

- Exceed any maximum limits set for the card.
- Obtain cash advances through the card.
- Use the card for any illegal purchases.
- Authorise their own expenditure.
- Claim double allowances (i.e. request reimbursement for an expense already paid by the card).

Card Expenditure

2.8 The card will only be used for purchases that are directly associated with the cardholders' function within the organisation.

2.9 Where doubt exists as to whether an item is function-related, prior authorisation should be obtained from the Treasurer.

2.10 Where private expenditure occurs on the same transaction as a corporate expenditure (e.g. a person incurs a debt for personal telephone calls during a hotel stay) the cardholder must settle the private expense prior to charging the balance on the organisational card.

2.11 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 could bring the name of the organisation into disrepute.

Card Expenditure Review

2.12 Records of all expenditures made on the card must be reviewed by the Treasurer, with a view to establishing both the need for the expenditure and the authorisation of the expenditure.

Card Misconduct

2.13 Wherever a breach in this policy occurs, the President will assess the nature of the breach and may institute an appropriate disciplinary process, including:

- counselling and/or verbal warning
- a diary or file note created and retained on employee's personnel file
- a written warning.

2.14 Where the President considers that the breach us such that serious sanction is appropriate, Vicphysics Teachers' Network's right to summarily dismiss an employee for serious misconduct may be exercised.

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

2.16 Following report of a breach, at the next Committee meeting, the President shall report:

- the investigation of the circumstances of the breach
- any police reports and action
- any disciplinary action taken.

Bank accounts

2.17 Bank accounts may only be opened in the name Vicphysics Teachers' Network, or to hold Vicphysics Teachers' Network's funds, when authorised by the Committee.

2.18 Any variations to banking arrangements can only be made by the Committee.

Bank transfers

2.19 Any bank transfer above the level approved for the person on the signatories list (or any series of payments within the period of fourteen days amounting to 150% of the level approved for the person on the signatories list) must be approved prior to the payment by two persons authorised to make such approvals by the Financial Delegations Register.

2.20 Each payment must be supported by an invoice, receipt, or other appropriate documentation. Authorisations must be attached to this documentation prior to payment.

2.21 Bank transfers above $3,000 to suppliers must be made only to suppliers who have been approved for the organisation's register of approved suppliers. Where it appears necessary to make transfers to persons or bodies not on the register, prior approval must be sought from the President.

3. Processes: Operations

Payments to Suppliers

Purchases

3.1 For transactions over the value of $2,000 must be approved by the Committee.

Asset Management

3.2 All purchases of equipment above the value of $100 must be entered in the organisation's Asset Register in a standard format.

3.3 The Asset Register shall be reviewed at least yearly.