

Adelaide Survivors Abreast Inc

Subject: Financial Management Policy (ASA 08)
Issue No: 1 **Date of Issue: June 2021**

Purpose:

To ensure that the Adelaide Survivors Abreast Dragon Boat Club Inc (the club) finances are handled responsibly and to enable the implementation of sound day-to-day financial management practices with clear parameters.

The Treasurer has direct responsibility for managing the financial affairs of the Club.
Ultimately, financial responsibility rests with the club's management committee.

The club operates as a not for profit organisation.

The Club's financial year operates from 1st July to 30th June.

Policy Statement

The Club's management committee will ensure that:

- A suitable person is recruited to the role of Treasurer;
- If applicable, The Club will ensure that all its requirements of the Australian Taxation Office in relation to GST are met (e.g. obtaining an ABN, registering for GST if annual turnover is above \$150,000);
- Sufficient income is available to meet the budget requirements;
- Appropriate accounting policies and procedures, including naming the people who will be responsible for them and a completion date.

Financial Principles

- The club operates on a cash-based accounting method;
- Two signatures are required to authorise all payments whether that be cheque or electronic payment;
- The Treasurer and at least three other committee members (i.e. Treasurer, President, Vice- President & Secretary) are authorised to operate the Clubs bank accounts;
- An expense payment (Excluding amounts itemised in the Budget) of up to \$2,000 may be authorised by the Treasurer or President, without approval from the full committee and is to be ratified at the next Executive meeting;
- No cheques payable to cash are to be written and authorised;

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- The clubs financial recording will include the following;
 - Use of a receipt book,
 - Bank deposit book,
 - Cheque book,
 - Internet payments facility,
 - Computerised Accounting system (Cloud based or PC only) to record all financial transactions in a double entry method;
- Any activity undertaken by a club member that involves receipt of cash or cheques are to be banked within 3 days of receipt by that person and an email forwarded to the Treasurer advising the details and where the monies are to be allocated;
- Any payments made **MUST** be accounted for via the club's bank account. This may involve a reimbursement to the club member. No cash payments are to be made from any cash received.

Reporting by Treasurer

- A draft budget is submitted in April each year with the final budget approved at the May Executive meeting;
- A budget is available to purchase up to date financial software, if needed;
- All funding agreements are adhered to and acquitted as required;
- Quarterly financial management reports are produced and presented to the management committee meeting showing year to date expenditure against the annual budget;
- All investment decisions are ratified by the management committee,
- The accounts, together with the financial controls checklist and the statement by the independent reviewer shall be available at the Annual General Meeting for viewing by members;
- At the end of each month, a bank reconciliation will be completed, ensuring the total of all receipts and payments equals all bank deposits and withdrawals;
- Review income estimates to ensure sufficient funds are available to meet the planned expenditure,
- Any variances to the budget are explained to the management committee;
- The Treasurer will provide a profit-loss statement and a balance sheet (a balance sheet is optional based on currently having no assets or liabilities) for the annual report each year;

Transaction validation

- Under the *Associations Incorporation Act 1985* it is acknowledged that an audit is not necessary unless turnover is greater than \$500,000;
- The committee must appoint an independent person to review the transactions between the bank account and financial reports and provide a statement to the committee;
- The Committee must review the financial control checklist following production of the final accounts to the committee in August each year. All questions answered 'no' should be explained within the committee, answered, minuted and an action plan agreed.

Membership flexibility – Hardship and related issues

- Flexibility to allow a member time to recover from external financial hardship without breaking overall membership is seen as part of the Club's culture,
- Financial assistance to a member could include, but is not limited to waiving or reduction of the annual membership fee for one year; providing a deferred payment option; providing an instalment payment option,
- Any two of the President, Vice President, Secretary or Treasurer can approve a variation of membership subscription for a member under the issue of hardship or extenuating circumstances to provide a member relief during a period of difficulty,
- Once the member's situation is raised with one of the four positions above, that person will make contact with another of the above listed members and make a decision in regard to assistance,
- The decision which should be made within 24 hours is then relayed back to the member. All information obtained and decisions made will be kept confidential amongst the President, Vice President, Secretary and Treasurer,
- The Secretary will arrange for the members membership records in TidyHQ to show that they have full membership for the current year,
- Any membership fees waived do not alter that member's status as an active and financial member – i.e. fully financial for log book purposes.

APPENDIX 1

Financial Controls Checklist

The Management Committee of ASADBC Inc accepts their collective responsibility towards financial management of the club.

To manage the risk of financial transaction processing failures, manual or automated control procedures should be implemented at key stages of the process. Some of the questions that can be asked are:

- a) How well are the financial aspects of the Club managed?
- b) Are the Club operations protecting the Club against disasters, internal fraud or theft and unfavourable external financial reviews?
- c) How comprehensive are financial practices? Are the financial records accurate?
- d) Review the following checklist.:

General	Yes?
Is a chart of accounts used?	
Is it detailed enough to give adequate management information?	
Do you use budgets and cash projections which are: <ul style="list-style-type: none">• compared to actual results?• investigated if there are major discrepancies?	
Do you understand the form and contents of the financial statements?	
Are comparative financial statements produced and reviewed?	
Are the books and records kept up-to-date and balanced?	
Is financial information produced regularly?	
Are storage facilities safe? (including computer back-up files)	
Is the Club's insurance cover regularly reviewed?	
Is there a records retention schedule?	

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Cash Receipts (income)	Yes
Does a member other than the Treasurer who maintains accounts receivable: <ul style="list-style-type: none">• open the mail and pre-list all cash receipts before turning them over to the Treasurer or Membership Officer?• Perform some form of check to ensure cheques received in the post are subsequently banked	
Are cash receipts deposited intact on a regular basis?	
Are cash receipts posted promptly to appropriate journals?	
Cash spent (expenditure)	Yes?
Are all expenses paid by cheque or internet payments?	
Are cheques pre-numbered and all numbers accounted for?	
Are all cheques recorded when issued?	
Are all unused cheques safeguarded, with access limited?	
Are voided cheques retained and / or destroyed?	
Do the authorised signatories sign or view all cheques and internet payments?	
Are supporting documents, processed invoices, receiving reports, purchase orders, presented with the cheques retained by the Treasurer?	
Are cheques payable to cash prohibited?	
Are bank reconciliations prepared: monthly/regularly for all accounts?	
Is a petty cash system is operated or maintained?	
Miscellaneous Transactions	Yes?
Have membership waivers been approved as per policy?	