

STATION POLICY DOCUMENT



Policies & Procedures for Financial Management and Control of Funds

PURPOSE

The purpose of the Policies & Procedures for Financial Management and Control of Funds is to ensure that Capital Radio's finances are handled responsibly and to enable the implementation of sound day to day financial management practices with clear parameters.

POLICY ON ACCOUNTING STANDARDS AND ACCOUNTABILITY

All volunteers and employees are required to act in an ethical and honest manner in all aspects of procurement and financial expenditure involving Capital Radio funds.

Capital Radio will ensure that:

- Its funds are expended solely on goods and services for approved purposes of Capital Radio
- All financial transactions are properly documented and accurately recorded in a timely manner in Capital Radio's books of account
- Where a volunteer or employee has a direct or indirect personal interest in a financial transaction, the volunteer or employee must not approve that transaction or be a party to the authorisation of expenditure of Capital Radio funds for or in relation to it
- Its books of account are prepared and maintained in a timely manner and conform to Australian Accounting Standards
- Adequate support by means of a financial sub-committee or advisory group is established to assist the Treasurer, if needed
- An approved budget for each financial year is determined and will use its best endeavours to manage expenditure so that it is within budget
- Ensure correct and accountable use of funds and other resources in line with generally accepted accounting principles and best practice reporting requirements
- All funding agreements are adhered to and acquitted as required
- Accurate and timely financial reports are produced and distributed monthly to the Management Committee before the next meeting to promote sound financial management

- Any variances to the budget are explained to the Management Committee
- A bank reconciliation is undertaken at the end of each month to ensure receipts and payments balance with deposits and withdrawals
- All legal and taxation requirements are attended to and delivered on time
- An audit is completed annually
- Decisions regarding investment of Capital Radio's fund are determined by the Management Committee
- All items purchased using Capital Radio funds will be the property of Capital Radio, unless there is an agreement in writing to the contrary
- All Capital Radio assets, however acquired, must be prudently managed and properly documented to meet accounting, regulatory, reporting and compliance requirements and must be properly accounted for in the station's asset register
- Submit annual information statements to the Australian Charities and Not for Profits Commission and Consumer Affairs (WA) by the due date

POLICY ON MAKING PAYMENTS

All payments, including by cheque, must be authorised by two eligible signatories. Eligible signatories are the Treasurer, Chairperson and Secretary.

Signatories cannot authorise a payment or sign a cheque made payable to themselves, or a blank cheque. All details in respect of each payment, including on a cheque, must be filled in before authorisation or signature.

Payments will only be approved by an eligible signatory upon review of proper supporting documentation, such as a purchase order and evidence of the receipt of goods and/or services.

A list of all payments, including cheques, issued each month specifying the amount, recipient, person who authorised payment and brief description of the payment, will be presented monthly to the Management Committee by the Treasurer.

POLICY ON REIMBURSEMENT OF EXPENSES

Capital Radio will reimburse its volunteers and employees expenses incurred by them on behalf of Capital Radio or in the course of Capital Radio business so long as such expenses are:

- Reasonable; and
- Authorised.

Reimbursement of reasonable but unauthorised expenses may be made on an ex gratia basis at the discretion of the Management Committee only in exceptional circumstances.

Volunteers and employees incurring authorised expenditure must, wherever possible, receive, retain and produce a tax invoice as evidence of such expenditure.

Reimbursement Procedures

Accommodation & Travel expenses

- Reasonable and necessary expenses actually incurred in connection with approved travel on behalf of Capital Radio will be reimbursed
- Travellers seeking reimbursement should incur the lowest reasonable travel and accommodation expenses
- Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources
- Employees and volunteers will not be reimbursed for items of a personal nature charged to a hotel account
- 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
- A member or volunteer may not approve his or her own travel or reimbursement

Prohibited reimbursements

Capital Radio will not reimburse staff or volunteers for

- 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 Capital Radio purchase order
- Expenses that are not incurred for Capital Radio business purposes
- Late payment interest on volunteers or employees credit cards
- Parking, traffic, or other fines and penalties

POLICY ON PETTY CASH

This Policy seeks to ensure that petty cash floats are established and managed appropriately and that staff, volunteers and visitors are not financially disadvantaged as a result of incurring minor station-related expenses.

The Treasurer may establish a petty cash float to deal with minor expenses (being expenses of less than \$100). Any such float must observe the nominated procedures.

The station manager may approve reimbursement of reasonable incidental expenses up to the value of \$25.

Petty Cash Procedures

Responsibilities

The Treasurer may nominate a Petty Cash Officer to administer a petty cash float. It will be the responsibility of the Petty Cash Officer to manage the amount of the float and to ensure that the procedures specified in this Policy are implemented appropriately.

Procedures

Petty Cash Limit

The amount of the petty cash float must not exceed \$250. Any amount in the petty cash float over \$250 must be returned to general funds.

Petty Cash Use

The Petty Cash Officer must ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing methods such as purchase orders approved in advance by the Management Committee. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures.

The limit of \$250 must not be evaded through splitting of items into smaller amounts.

The Petty Cash Officer:

1. must require all expenses incurred using petty cash funds to be substantiated by acceptable supporting documentation such as receipts, tax invoices, invoices, copies of staff travel diaries, etc., and the documentation relating to each item must be sufficient to establish the nature of the expenditure.
2. must retain acceptable supporting documentation of payments from the Petty Cash float and must submit these with their accounts to the Treasurer weekly.
3. must report the loss of any Petty Cash funds to the Treasurer as soon as the loss is discovered.
4. must ensure that a tax invoice is obtained for all purchases exceeding \$25 (GST inclusive).
5. must ensure that petty cash is kept in a secure (locked) location and the key held securely.
6. must not delegate control of the float to another volunteer or person. If the Petty Cash Officer is unavailable, payment cannot be made by that means.

Petty Cash Replenishment

Total yearly petty cash requirements must be estimated by the Petty Cash Officer and submitted to the budget process. The Petty Cash Officer can draw on replenishments during the year up to this amount.

If there is a need for additional finance, or if it is desired to increase the amount of the float, a special request must be made to the Management Committee.

Replenishments should be sought when sufficient funds remain for five business days of expected use.