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**Squash Rackets Association of Western Australia (Inc)**

## **FINANCIAL MANAGEMENT POLICY**

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## **0. Purpose of this document**

To define the financial systems used by WA Squash and how they relate to all areas of the organisation (sometimes referred to as Financial Standing Orders).

Relevant to managers and finance staff. All suggestions for amendments to General Manager. Minor amendments/updates to be agreed by the General Manager; major amendments by the Board

## **1. Ordering supplies and services**

All staff need to be aware that expenditure is committed when an order is placed on behalf of WA Squash, not when the cheque is requested. Therefore, it is important that all orders are placed properly, and are within agreed budgets and delegated powers.

Staff members can place orders for goods or services within their budget areas, subject only to cash-flow restraints. All orders of \$100 or more must be authorised by the General Manager, except for specific areas of expenditure where written procedures have already been agreed upon. Under \$100, the Staff member may delegate all ordering as appropriate. Staff members will discuss with the General Manager appropriate parameters, plus maximum allowed deviations before the Board has to be brought in. Any such arrangements needs to be documented.

Any lease, hire purchase agreement or other contract involving expenditure will be subject to the same authorisation procedure as above, with the appropriate expenditure amount being the total committed expenditure over the period of the contract, or where the contract is open-ended, over the first 12 months of

the contract. Larger contracts should not be entered into without adequate advice from a relevant professional adviser (e.g. accountant, solicitor, surveyor etc.)

Orders of \$200 or more must be placed in writing. Orders under \$200 but over \$100 should be in writing where practical. Suppliers must be requested to produce invoices. If payment is needed on or before delivery or no credit is given, a 'pro-forma' should be provided.

While claims for small items of expenditure may be made via petty cash (see section 4), adequate supporting documentation, preferably receipts, must be obtained. Large items requiring cash payment must be checked with the General Manager before the arrangement is confirmed.

## **2. Payment authorisation and Purchase Ledger**

All invoices must be authorised for payment by the Staff Member, although the actual checking of details may be delegated. The Staff member is responsible for checking invoices for accuracy in terms of figures and conformity with the order placed, that the services or goods have been received, and following up any problems. The Finance Officer must be informed if there are queries delaying authorisation or if payment is to be withheld for any reason.

A Purchase Ledger is operated by the Finance Officer. All incoming invoices are to be passed to the Finance Officer as soon as they arrive. Invoices will be recorded on to the Purchase Ledger within one week, unless there are coding problems. They are then passed on to the relevant Staff Member for authorisation. Once authorised as above, suppliers will be paid within the appropriate timescale. This is generally 14 days of invoice date for regular suppliers and 30 days for others, unless there are exceptional cash-flow difficulties or specific supplier arrangements. The latter must be communicated by budget holders to the Finance Officer, who will inform them of any difficulties in meeting these.

Refunds of overpayments or cancellations of bookings/orders can be fully delegated to the relevant Staff member or General Manager (note that this does not include any 'compensation' or similar payment).

### **3. Cheque writing and signing**

Signatories will only be drawn from senior staff and Board Members, and any new signatory must be approved by the Board before the bank is notified. All cheques will require two signatories. Cheque signatories should check that the expenditure has been authorised by the appropriate person before signing the cheque. Salary payments require the signature of the General Manager plus a board member.

Signatories will not sign cheques which are payable to themselves, or blank cheques. Cheques should be filled in completely (with payee, amount in words and figures, and date) before cheques are signed. The only acceptable exception is that the amount can be blank as long as the cheque is endorsed 'Not more than \$....' Receipts for this type of expenditure must be returned immediately.

The day-to-day limit on encashment of cheques is \$100, however, where a larger cash float is required (for a major event for example), this may be approved by the General Manager and Board Member. When signing cheques to restore the imprest balance (see section 4), receipts accompanied by an add-list must be presented with the cheque request.

### **4. Handling of cash**

Petty cash will be topped up on the 'imprest' system, where the amount spent is reimbursed. It is intended for small items, up to \$20. Anything over this should be paid by cheque where possible. The imprest has a balance limit of \$100. The petty cash balance will be reconciled when re-storing the imprest balance, or monthly if this is more frequent.

All cash collected from Finance will be signed for, and receipts will be issued for all cash returned. Specific extra cash floats (for tills at events etc.) should be arranged with the Finance officer. The person signing for the float is responsible for ensuring cash and receipts are returned as soon as possible after the event etc. No further floats may be issued to that person, or another person in the same department for a similar purpose, unless the previous float has been accounted for.

Mixing money or receipts from different petty cash sources creates large accounting problems. In a real emergency, where another cash float has to be used for something, a clear record must be kept, and brought to the Finance officer's attention.

Any cash income will be banked and not used for petty cash expenditure. Such cash will be passed to the Finance Officer.

Cash will be kept in locked metal cabinets wherever possible. Appropriate arrangements will be made for till security.

## **5. Salaries and payroll**

WA Squash is required to operate the PAYE system, and make Taxation returns. All people working directly for WA Squash, whether permanent or temporary, must provide a P45, or sign a P46 or student exemption certificate, or give reasons why they can't. All payments will be made by cheque or direct bank credit.

Payments for additional work over and above standard hours must be approved by the General Manager. Clear written authorisation must be given in adequate time for the Finance officer to process it for the relevant payroll. These claims are a financial records, and should be treated in the same way as any other.

Payment will usually be made by Cheque. The salary payment listings will be checked by the Finance officer. Salaries will be paid fortnightly.

Pay scales and new posts/re-structuring are approved by the Board. The Board will set the remuneration packages for the General Manager and other Staff members. Appointment of the General Manager is the responsibility of the Board. Appointments to other existing posts is the responsibility of the General Manager

Staff loans are not issued, but advances may be made against salary due, by arrangement with the General Manager.

The Finance Officer is responsible for:

- paying each employee in accordance with the approved terms and conditions, and issuing payslips.
- operating the PAYE system, keeping the required records, and communicating with the tax office as appropriate.
- making the correct deductions for Income Tax, court orders and any other appropriate deduction authorised by staff; ensuring that deductions are paid to the correct body, and necessary returns made.
- administering the Statutory Sick Pay and Statutory Maternity Pay schemes, alongside any additional related benefits provided by WA squash.

## **6. Income**

The majority of income received by WA Squash is from affiliation and registration fees from our Clubs and players. Income is also received from court hire and equipment sales by Terrace squash centre. invoices will be issued for every sale as soon as practical. For completeness of customer and sales information, this includes where payment is received with order.

All invoices should be raised on WA Squash letterhead, or in a format agreed with the Finance Officer and auditors, and be drawn up in accordance with WA Squash's standard invoice requirements. All invoices will be sequentially numbered. Any accidental deviations from such sequences must be notified to the Finance Officer.

Invoice listings will be produced on a regular basis. This is at least monthly, to fit in with monthly Board Meetings. Outstanding payments will be followed up at least monthly.

Information about non-routine and all grant income must be passed to the Finance Officer with the cheque or remittance advice. This will be filed by the Finance officer for reference, and used to ensure such income is correctly recorded in the accounts and grant conditions etc. noted. Lack of documentation will lead to such items being 'held on suspense'. It is the responsibility of the person gaining the grant to ensure all grant income is claimed as it becomes due or available, and that all appropriate staff and the Finance Officer are aware of relevant grant conditions and exactly how the grant is to be expended.

Post opening (and control of cheques and cash in) will be subject to random management checks. The process will be written down, so that there is a clear standard for those doing the work regularly, and others covering or checking.

## **7. Bank accounts**

AN ORGANISATION's bankers are:

- Bankwest
- Bank of Queensland

All income will be paid into the current accounts as soon as possible, not less than once a week. The makeup of each banking will be clearly recorded, for later computer entry.

## **8. Investments**

Detailed records will be maintained for all Investments. Such records to include full details of income and expenditure as well as any associated loan information.

Updated information to be made available for monthly Board Meetings



## **9. Books of account and records**

Proper accounting records will be kept. The accounts systems is based around computer facilities, using Bizzwizz and MYOB but manual/paper records will also be used if appropriate.

At a minimum, the following records will be kept:

- appropriate control accounts
- salary control accounts.
- monthly trial balances.

Petty cash and bank accounts will be reconciled at least monthly, and BASS returns produced on the required quarterly cycle.

All vouchers entered into the computer system will be clearly initialled by the person entering it, along with date and accounts reference. All income/expenditure information will be recorded within seven days. All corrections and adjustments will be clearly noted in a written 'Journal' giving reasons for them, with supporting documentation where available.

Purchase Ledger, other cheque payments and banking sheets will be filed in the appropriate reference order, with any supporting documentation. All petty cash vouchers, cheque stubs etc. will be retained for audit and for statutory purposes thereafter.

All fixed assets costing more than \$1,000 (or such other level as may from time to time be agreed by the Board) will be capitalised in the accounts and recorded in a fixed assets register. This register will record details of date of purchase, supplier, cost, serial no. where applicable, description and in due course details of disposal.



## **10. Budget setting**

12 monthly income and expenditure budgets will be prepared in time for final approval by the Board in December, before the start of the financial year under consideration.

Budgets to be prepared by the General Manager, working with the Finance Officer. Approval of the budgets is by recommendation of the General Manager to the Board. The Board will play a lead role in ensuring that budgets are set fairly, efficiently and in time.

The approved budget will be used as a base to construct a cash-flow forecast for the year. Such forecast to be reassessed and updated quarterly.

## **11. Financial monitoring and audit**

All Staff members will receive appropriate, regular reports of income and expenditure against budget.

The General manager will receive:

- monthly snapshots of cash in hand, total creditors and total debtors.
- monthly graph of cash on hand.
- monthly reports of income and expenditure versus budget

Detailed monthly payroll reports will be produced. Detailed cash-flow reports will be produced as appropriate.

WA Squash's financial year is from 1<sup>st</sup> January to 31<sup>st</sup> December. Annual accounts will be submitted for audit, as required under the Companies Act. Audited Financial accounts will be presented at Annual General Meeting to be held prior to the 31<sup>st</sup> march each year.

## **12. Role of Treasurer**

The Treasurer works in close co-operation with, and provides support and advice to, the Finance Officer. Specific responsibilities are to:

- Guide and advise the Board in the approval of budgets, accounts and financial statements, within a relevant policy framework.
- Keep the Board informed about its financial duties and responsibilities.
- Advise the Board on the financial implications of WA Squash's strategic plans and key assumptions included in management's operational plan and annual budget.
- Confirm that the financial resources of WA Squash meet present and future needs.
- Understand the accounting procedures and key internal controls, so as to be able assure the Board of WA Squash's financial integrity.
- Ensure that the accounts are properly audited, that accepted recommendations of the auditors are implemented, and meet the auditor at least once a year.
- Formally present the accounts at the AGM, drawing attention to important points.
- Monitor An Organisation's investment activity and ensure its consistency with policies, aims, objectives and legal responsibilities

## **13. Role of Management**

The General Manager has responsibility for the financial performance and ensuring that WA Squash complies with Financial Procedures. They will receive weekly snapshots and monthly management accounts, keeping adequate records to be in control between monthly reports. The Board will review finances thoroughly at its monthly meetings.

## **14. Role of Board**

The Board is responsible for:

- approving the budget for the year.
- approving signatories to the bank accounts.
- appointments of staff where not delegated to the General Manager
- receiving reports from the General Manager on areas of concern.
- approving exceptional items of expenditure.
- monitoring the financial position based on monthly reports
- approving the annual accounts, auditors report and appointment.

## **15. Role of Finance Officer**

The Finance Officer is the lead person for processing all changes and exceptional items, and will assist the General Manager in any financial matter connected with the organisation.

The Finance Officer will ensure that adequate security precautions are taken to safeguard financial and other assets.