



Finance Policy (version 1.0)

(To be read in conjunction with TasCAHRD - Schedule of Delegations - Finance - OMF-02)

1. Principles

- 1.1. The Tasmanian Council on AIDS, Hepatitis and Related Diseases (TasCAHRD) is a not-for-profit organisation. In TasCAHRD, authority is exercised by and rests with the Board of Management (Board), subject to the restrictions and requirements of the Associations Incorporation Act, TasCAHRD's Constitution and Rules, and other statutes.
- 1.2. The Board has ultimate responsibility for overseeing the budget of the organisation.
- 1.3. The Board is responsible for ensuring that the organisation operates within a responsible, sustainable financial framework.
- 1.4. The Board is responsible for maintaining and extending the assets of the organisation to provide for its long term viability.
- 1.5. The Board is responsible for ensuring that all TasCAHRD accounting procedures comply with relevant State and Commonwealth regulations and reflect best financial management practice.

2. Signatories to Accounts

- 2.1 The addition or removal of individual signatories to all TasCAHRD operated accounts must be by a decision of the TasCAHRD Board and be recorded in the relevant minutes.

3. Budgeting

- 3.1. The Board will conduct a budget planning process each year as part of its annual business planning.
- 3.2. It is the responsibility of the CEO to review and prepare all budgets in consultation with the Treasurer and Business Services Committee.
- 3.3. The initial budget estimates are based on current expenditure plus CPI increments for salaries and operational costs, exclusive of GST. Details of how cost increases will be absorbed will be provided.
- 3.4. The CEO will revise the draft and present the amended draft budget to the next available Board meeting, no later than the end of June. Once adopted by the Board, this becomes the official operating budget for TasCAHRD for the following financial year, and all Board

members and employees must work within the financial limits stated or implied by this document.

- 3.5. The CEO is responsible for monitoring the organisations expenditure, reviewing the actual and budgeted expenditures, and reporting on progress of such expenditure.
- 3.6. Financial reports are prepared each month showing year to date expenditure and its variation from budget estimates. Notes should be attached to Board reports detailing reasons for variations exceeding +/- 10% and recommendations for corrective action where required.
- 3.7. The CEO will indicate to the Board the effect of any variations and propose amendments to the budget.
- 3.8. Once adopted by the Board, amended budgets become the new operating budget for the remainder of the financial year.
- 3.9. The CEO will prepare a half-yearly budget review for consideration by the Board at its January meeting.

4. Financial Management

4.1. Fraud Risk Management

- 4.1.1. The TasCAHRD Board has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective internal control systems are in place.
- 4.1.2. The Board and CEO must ensure that there are mechanisms in place to:
 - assess the risk of fraud
 - educate employees about fraud prevention and detection
 - facilitate the reporting of suspected fraudulent activities
- 4.1.3. All staff share in the responsibility for the prevention and detection of fraud in their areas of responsibility. All staff have the responsibility to report suspected fraud. Any staff member who suspects fraudulent activity must immediately notify their supervisor, the CEO or the President. In situations where the supervisor is suspected of involvement in the fraudulent activity, the matter should be notified to the next highest level of supervision.
- 4.1.4. Any fraud by any staff member shall constitute grounds for dismissal.
- 4.1.5. Fraud prevention accounting procedures shall be incorporated in the organisation's policies related to Cash Management, electronic banking and transactions, Credit Card Use, Commercial Transactions, and Investment.
- 4.1.6. All complaints of suspected fraudulent behaviour will be investigated whilst also providing for the protection of those individuals making the complaint and natural

justice to those individuals being the subject of any such complaint.

4.1.7. Where a prima facie case of fraud has been established the matter shall be referred to the Executive Committee for consideration of further action, which may include referral to police. Any action taken by police shall be pursued independently of any employment-related investigation by the organisation.

4.1.8. Recruitment strategies shall incorporate fraud prevention:

- Applicants shall be required to undergo police checks where required by the duties of the position
- Previous employers and referees shall be contacted

4.1.9. Transcripts, qualifications, publications and other certification or documentation shall be validated

4.1.10. Fraud prevention and detection issues will be included in relevant staff development and induction activities.

4.1.11. A list of transactions issued each month will be provided to the Treasurer.

4.2. Approval of Expenditure

4.2.1. Approval of expenditure must comply with the relevant provisions of the TasCAHRD - Schedule of Delegations – Finance (see TasCAHRD Policy OMF-02)

4.3. Authorisation of Payments

4.3.1. Authorisation of Payments must comply with the relevant provisions of the TasCAHRD – Schedule of Delegations – Finance document (see TasCAHRD Policy OMF-02)

4.4. Credit Cards

4.4.1. Only those staff members authorised as outlined under 'Credit Cards- Credit Card Holders' in the attached Schedule of Delegations- Finance are authorised to use TasCAHRD Credit Cards

4.4.2. Each Organisational Credit Card will be issued to a specific person, who will remain personally accountable for use of the card.

4.4.3. Only the authorised signatory may use the card. No more than one card shall be issued to each stakeholder.

4.4.4. Credit limits are as outlined under 'Credit Card – Purchases' in the TasCAHRD - Schedule of Delegations – Finance document (see TasCAHRD Policy OMF-02).

4.4.5. The Card will only be used for those activities that are a direct consequence of the cardholders' function within the organization.

4.4.6. The Cardholder shall not:

- exceed the maximum limits set for the Organisational Credit Card in the Schedule of Delegations – Finance (see TasCAHRD Policy OMF-02).
- obtain cash advances through the Organisational Credit Card
- claim double allowances (i.e. request reimbursement for an expense already paid by the card).

4.5. Additional Delegations

- 4.5.1. All additional financial delegations are as specified in the TasCAHRD – Schedule of Delegations – Finance document (see TasCAHRD Policy OMF-02).
- 4.5.2. No payments exceeding the provisions of the TasCAHRD – Schedule of Delegations – Finance are authorised (see TasCAHRD Policy OMF-02).
- 4.5.3. Only the Board is empowered to amend the TasCAHRD – Schedule of Delegations – Finance document (see TasCAHRD Policy OMF-02).
- 4.5.4. The CEO will make recommendations to the Board for amendments to the TasCAHRD – Schedule of Delegations – Finance document (see TasCAHRD Policy OMF-02).

4.6. Petty Cash

- 4.6.1. A petty cash float of \$150 is maintained at the Hobart Office.
- 4.6.2. A petty cash float of \$75 is maintained at the Glenorchy NSP.
- 4.6.3. Petty cash is replenished as required by the Administration Officer and reconciled through the MYOB system.
- 4.6.4. Petty cash is to be used for incidental expenditure up to a maximum of \$50.00.
- 4.6.5. Petty cash is not to be used by staff for personal expenses.

5. Asset Management

- 5.1. The Board has determined that the TasCAHRD Depreciation Schedule will only include assets with a value exceeding \$1,000.
- 5.2. TasCAHRD's Asset Register and Depreciation Schedule are maintained by the Quality and Compliance Manager.

6. Fundraising

- 6.1. Fundraising activities are limited to those activities for which returns exceed expenditure of organisational resources.

6.2. All proposals for fundraising activities must be approved by the Board.

7. Funds Management

- 7.1. The Board will ensure that TasCAHRD always retains sufficient funds in reserve to deliver its services for a minimum of three months.
- 7.2. Funds not required for the short-term operation of the service are to be invested or deposited in high interest bearing accounts.
- 7.3. Investment funds are only to be lodged with approved financial institutions that ensure maximum security of invested capital.
- 7.4. Investments in stocks, shares or venture capital schemes are not permitted.
- 7.5. Investment accounts must ensure open access to funds, without penalties for early withdrawal, to allow regular replenishing of operating accounts.

Approved: Business Services Committee Meeting, 14 September 2010

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