



# JUMBUNNA COMMUNITY PRESCHOOL AND EARLY INTERVENTION CENTRE INC.

<b>St 6b</b>	<b>FINANCIAL MANAGEMENT</b>
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<b>Applies to:</b>
<b>Specific responsibility:</b>

<b>Version:</b>
<b>Date approved: 5 Aug 2014</b>

<b>Policy context:</b> This policy relates to	
Standards or other external requirements	NDIS Practice Standards
Legislation or other requirements	Disability Services Act
Contractual obligations	National Disability Insurance Agency

## POLICY STATEMENT

Jumbunna is required by Department of Fair Trading to keep proper financial records and ensure financial probity.

Jumbunna is committed to transparent, safe, and secure management of its finances, ensuring its financial obligations are addressed, opportunities for fraud or mismanagement are minimised, reporting obligations are met in a timely fashion and there are sufficient resources to support the organisation in working towards its strategic goals.

## Principles

Jumbunna is committed to honesty, integrity and best practice in all aspects of its financial management processes. The following principles underpin these processes.

- Financial decisions are made within a sound accountability framework, using robust and transparent systems
- Effective financial management enables the organisation to maximise finances available for application to Jumbunna's strategic objectives
- Effective financial management is a priority
- The Board holds ultimate accountability for the financial management of the organisation; however, staff and volunteers are responsible for implementing good financial policy and practices
- All financial management responsibilities and delegations of the Board, staff and volunteers are clearly defined
- Resources are provided to support good financial management

## Outcomes

The outcomes of implementing this policy are as follows.

- Finances are effectively managed and support the organisation in its strategic outcomes
- Accurate, complete, and transparent financial records
- All financially related contractual and legislative requirements are met
- Financial risk is minimised

## **Roles and Responsibilities**

Within Jumbunna the following roles are in operation.

### **Governing body – the Board**

The Board as a whole, together with individual members, will do the following.

- Comply with organisational Financial Management policy and practices
- Comply with all internal and external financial reporting, contractual and legislative requirements
- Develop and monitor financial plans and budgets
- Ensure all financial transactions and decisions of the organisation are recorded using standard accounting practices
- Allocate financial authorities and delegations
- Ensure an approved auditor conducts an annual audit of the organisation's accounts

### **The Treasurer**

The Treasurer is responsible for providing leadership and oversight of the organisation's financial management in addition to general financial responsibilities of all governing body members. This includes the following matters.

- Acting on financial matters when action is required in advance of a governing body meeting
- Co-authorise funding agreements (as required)
- Recommend annual audited finance report to the membership and/or Board at annual general meeting
- Co-authorise Certificate of Compliance (Annual Statement to [Regulatory Body, e.g. ASIC, NSW Fair Trading])

### **The General Manager**

The General Manager is responsible for working with the Treasurer and the Board in implementing effective financial management of the organisation. The General Manager will be responsible for the following.

- Provide leadership and action financial management
- Develop and work with the Board in developing financial plans and budgets
- Ensure accurate, appropriate, and timely financial reporting as required internally and externally
- Delegate and supervise financial management positions and activities as required

### **The Financial Administrator**

The Financial Administrator is responsible for the following.

- maintaining accounting books and records
- processing all approved income and expenditures
- managing petty cash
- preparing financial statements and reports
- assisting in financial plans and budget preparation

- preparing for and assisting the annual external audit
- preparing staff salaries and other payments, and maintaining required records
- maintaining asset register
- maintaining insurance register

## **PROCEDURES**

Jumbunna is committed to effective management of its finances, the prevention of fraud or mismanagement of its funds and accountability to our members for the use of organisational funds and to funding bodies or donors for the funds they have provided.

Jumbunna will:

- maintain appropriate records of financial transactions and accounts that comply with the Australian Accounting Standards
- implement a system of approvals for financial transactions
- document delegations of authority for approving financial expenditure
- ensure safeguards are in place to prevent fraud and financial mismanagement
- provide staff who are responsible for bookkeeping and financial management with relevant documented financial procedures.
- Establish systems that ensure compliance with the financial requirements of funding bodies.

### **Bank accounts**

Jumbunna maintains suitable types of banking accounts at local banking establishments.

The Board must approve the opening and closing of any bank account and the investment of funds.

A transfer of funds between any two Jumbunna accounts will require the approval of at least two signatories.

### **Maintaining appropriate records**

Financial records will be kept according to Australian Accounting Standards.

Financial records will be maintained in the following manner:

- Transactions will be recorded electronically by the Financial Administrator using accounting software.
- Electronic entry of transactions will be done by Financial Administrator
- Accounts will be reconciled monthly by Financial Administrator
- Jumbunna uses the Standard Chart of Accounts
- Hard copy primary records will be maintained by the Financial Administrator
- Financial records will be archived for a period of 7 years.

### **Processing transactions**

All accounts will be dealt with promptly and within specified time frames.

### **Accounts Receivable:**

The Financial Administrator will manage all accounts receivable and:

- send out invoices on a monthly basis

- process payments received and bank deposits
- maintain documentation.

### **Accounts Payable:**

The Administration Coordinator will manage all accounts payable and:

- ensure all purchases have the necessary approval before processing
- process payments to creditors either by cheque or electronic funds transfer (EFT)
- issue a remittance advice to a creditor when an EFT payment is made

### **Approvals and delegations**

All expenditure must be approved by the appropriate delegated person. Delegations of authority for expenditure are set by the Board.

- The Board approves the annual budget which sets the parameters for annual expenditure.
- Expenditure within budget for daily requisitions requires authorisation by the General Manager.
- Any item of expenditure that is a budget overspend requires authorisation by the Board.
- The Board may authorise an item of expenditure that is a budget overspend

All cheques must be signed by any two of the people who are delegated to authorise the payment.

Approval must be gained from delegated authority before use of Jumbunna Business Credit Card.

All EFT payments must be authorised by any two of the people who are delegated to authorise the payment.

### **Preventing fraud and financial mismanagement**

Financial management security is maintained through:

- Procedures for obtaining and documenting approval for expenditure including Credit Card.
- The receipting and reconciling of all money received by the organisation with banking records.
- Monitoring and checking of accounts and bank reconciliations by the Treasurer.
- A monthly finance report to the General Manager.
- A monthly finance report to the Board
- Monitoring of the budget by the General Manager and the Board and Accountants

### **Providing documented procedures**

The following procedures will be documented in detail Administration and Financial manuals

- Money handling procedures for staff collecting or processing money (receipting, banking, reconciling).
- Bookkeeping instructions for staff entering financial transactions into the accounts.
- Petty cash procedures for all staff using petty cash.
- Monthly monitoring and checking procedures.

**DOCUMENTATION**

Documents related to this policy	
Related policies	
Forms, record keeping or other organisational documents	

<b>Policy Name:</b>	<b>Financial Management</b>	<b>Policy Number:</b>	
Date Approved:	March 2024	Approved By:	Senior Management Team
Date Issued:	March 2024	Review Date:	30 June 2025
Version 1.6	This version of the policy was approved March 2024 and replaces the version approved 24 August 2023		

