



TOORAK BURNSIDE BOWLING CLUB INC

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FINANCIAL CONTROLS POLICY & PROCEDURES MANUAL

Policy Number: FCP 1024/1 **Version:** 1.1 **Responsible Person:** Administration Manager
Date Approved by Board: 28 October 2024 **Scheduled Review Date:** 28 October 2029

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Financial Controls Policy

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1. INTRODUCTION

This policy is to ensure that the Toorak Burnside Bowling Club's finances are handled responsibly and to enable the implementation of sound day-to-day financial management practices with clear parameters to protect the club funds and the club volunteers responsible.

2. PURPOSE

To protect Toorak Burnside Bowling Club against financial misconduct, all forms of financial transactions must be secured through closely regulated approval processes.

These policies and procedures apply to all employees, volunteers, members, suppliers, customers and consultants from the date it has been approved by the Board.

Toorak Burnside Bowling Club will keep all financial policies and procedures current and relevant. From time to time, it will be necessary to modify and amend some sections or to add new procedures.

3. POLICY

The Toorak Burnside Bowling Club (the Club) is an incorporated club as defined under the Associations Incorporated Act 1985 (SA) (the Act). The Board will use its best endeavours to manage its internal affairs as necessary by the Act.

The Board will ensure that:

- a) A suitably qualified person is recruited for the role of Treasurer.
- b) A suitable accounts software package is available to the Treasurer so that accurate records of all club finances are kept.
- c) The Club maintains a register of all authorised persons who have financial delegation responsibility (see Appendix A) to deal with the Club's business financial matters. Such register is to be maintained and kept up to date at all times.
- d) Sufficient income is available to meet the budget requirements.
- e) All funding agreements and contracts are approved, adhered to and acquitted as required.
- f) All legal and taxation requirements are attended to and delivered on time.

- g) A suitably qualified auditor is appointed by the Board as required by the Club Constitution.
- h) A budget is to be prepared each year and approved by the Board.
- i) The annual financial report as presented at the Annual General Meeting accurately reflects the finances for the year.

4. PRINCIPLES

Financial transactions carried out in the name of Toorak Burnside Bowling Club shall, as far as possible, be governed by the following principles:

- a) No single person shall have the single authority to carry through all processes (budgeting, authorisation, payment, approval) to do with any:
 - payment
 - approval of a supplier
 - approval of an agreement or contract with an external party
 - loan from Toorak Burnside Bowling Clubs funds
 - contract of employment.
- b) Any person who has an actual or potential conflict of interest in respect of any of the following must declare that conflict of interest to the Board and either comply with any Board direction or withdraw from involvement in the transaction:
 - payment
 - approval of a supplier
 - approval of an agreement or contract with an external party
 - loan from Toorak Burnside Bowling Club Incorporated funds
 - contract of employment.

5. POLICY REVIEW

This policy will be reviewed at least every five (5) years to ensure it remains relevant, practical and that it reflects community expectations and legal requirements.

Financial Controls Procedures

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1. RESPONSIBILITIES

- a) It is the responsibility of the Board to:
 - approve a budget for Toorak Burnside Bowling Club and authorise any departures from that budget
 - maintain supervision of the financial progress of the organisation.
- b) It is the responsibility of the Treasurer to ensure that:
 - procedures consistent with this policy are implemented
 - staff, coordinators/managers and volunteers are aware of this policy and these procedures
 - any breaches of this policy or procedures are dealt with appropriately.
- c) It is the responsibility of the Administration Manager to ensure that the Financial Delegation Register (*see Appendix A*) is maintained and made available to the Treasurer and Board upon request.
- d) It is the responsibility of all staff, coordinators/managers and volunteers to ensure that any payment made on behalf of the organisation conforms to this policy and procedures.

2. PROCESSES: FINANCIAL CONTROLS AND MANAGEMENT

2.1 Receipts

- a) Fees and payments are to be directly deposited into the Toorak Burnside Bowling Club's bank account or paid via the Club's credit card facility or Eftpos service.
- b) All income received by the Club must be receipted and fully recorded within the Club's accounting system.
- c) Members who pay by cash for items other than beverage and snack purchases must be issued with a paper receipt.
- d) Cash income must be banked as soon as practicable and credited to the bank account of the Club.

2.2 Payments

2.2.1 Electronic Funds Transfers (EFTs)

- a) Toorak Burnside Bowling Club encourages payment of supplier accounts by EFT. All EFT payments require authorisation by two approved signatories.
- b) Each payment must be supported by an invoice, receipt or other appropriate documentation and based on confirmed service completion and/or delivery.

2.2.2 Reimbursements

- a) Where purchases are made by a volunteer coordinator/manager whether by cash or personal credit card for adhoc miscellaneous items, (ie - for maintenance materials, internal social event provisions etc.), the volunteer shall be entitled to be reimbursed for any out of pocket expenses providing the purchase is supported by acceptable documentation (receipts, tax invoices, copies of relevant documents, etc) and that the documentation relating to each payment shall be sufficient to establish the nature of the expenditure.
- b) The Treasurer to record and reconcile monthly all supplier payments in the Club's accounting system.

2.2.3 Credit Card Transactions

- a) Credit cards may only be issued to a person approved by the Board. Credit cards may only be issued to a staff member or volunteer where their functions and duties would be enhanced by their use.
- b) Credit cards may be issued temporarily.
- c) Each credit card will be issued to a specific person who will remain personally accountable for the use of the card. Only the authorised signatory may use the card.

2.2.4 Cardholder's Responsibilities

- a) The cardholder shall:
 - only use the credit card for purchases that are directly associated with the cardholder's function within the Club
 - in all cases, provide sufficient supporting documentation to validate the expense (eg - tax invoice, receipt) or provide a written statement in lieu (the Board Chair may require a statutory declaration)
 - verify that the goods and services listed were received
 - take adequate measures to ensure the security of the credit card
 - notify the Treasurer or Administration Manager immediately if:
 - the credit card is lost or stolen
 - a personal expense has inadvertently been charged to the credit card.

- cease using the credit card and promptly return it to the Treasurer if:
 - the cardholder resigns
 - the Board determines that there is no longer a need for the cardholder to retain their the credit card
 - the credit card has been cancelled by the bank.
- be personally liable for any unauthorised transaction unless the credit card is lost, stolen or subject to fraud by a third party.

b) The cardholder shall not:

- exceed any maximum limits set for the credit card
- obtain cash advances through the credit card
- use the card for any unauthorised purchases
- request reimbursement for an expense already paid by the credit card.

2.2.5 Credit Card Expenditure Review

Records of all expenditures made on the credit card must be reviewed by the Treasurer every month to confirm the need for the expenditure and reconciled to the Club's accounting systems.

2.2.6 Credit Card Misconduct

- a) Wherever a breach of this policy occurs, the Treasurer or other delegated Board member will assess the nature of the breach and may institute an appropriate disciplinary process, including:
- counselling and/or verbal warning
 - a file note created and retained on the Club records system
 - a written warning.
- b) Where the Treasurer or other delegated Board member considers that the breach is such that serious sanction is appropriate, the Board's right to summarily dismiss the cardholder from their authority to use the card for serious misconduct may be exercised.
- c) The Treasurer or other delegated Board member may determine and refer to the Board whether to report a breach of the policy to the police for criminal investigation.
- d) Following report of a breach, at the next Board meeting, the Treasurer or other delegated Board member should report:
- the investigation of the circumstances of the breach
 - any police reports and action
 - any disciplinary action taken.

2.3 Petty Cash

2.3.1 Petty Cash Limit

The amount of the petty cash float should not exceed \$50.

2.3.2 Petty Cash Use

- a) The Treasurer or other authorised person shall ensure that petty cash is used only to cover expenses for which it is not feasible or is unreasonably inconvenient to use normal purchasing methods. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures.
- b) The limit of \$50 shall not be evaded through the splitting of items into smaller amounts.
- c) The Treasurer shall require all petty cash expenses incurred to be supported by acceptable documentation (eg -receipts, tax invoices, copies of relevant documents) and that the documentation relating to each payment shall be sufficient to establish the nature of the expenditure. If a tax receipt is lost or misplaced, a written statement must be provided setting out the details of the transaction.
- d) The Treasurer shall retain documentation of payments from the petty cash float.
- e) The Treasurer shall report the loss of any petty cash funds to the Board as soon as the loss is discovered.
- f) Petty cash should be kept in a secure (locked) location and the key held securely.
- g) The Treasurer can only delegate control of the petty cash float to approved people on the Financial Delegation Register (*see Appendix A*). If no approved person is available, payment cannot be made using petty cash.

2.3.3 Petty Cash Replenishment

- a) The Treasurer can draw on replenishments to maintain a petty cash float of \$50.
- b) The petty cash float is to be reconciled monthly by the Treasurer. All petty cash expenditures must be entered into the accounting system once the petty cash has been reconciled.

2.4 Bank Accounts

2.4.1 Authorisation

- a) Bank accounts in the name of the Toorak Burnside Bowling Club Incorporated to hold Toorak Burnside Bowling Club's funds may only be opened and closed when authorised by the Board.
- b) Any variations to banking arrangements can only be made by the Board or a person with the appropriate delegated authority, as recorded in the Financial Delegation Register.

2.4.2 Reconciliations

Bank statements should be reviewed by the Treasurer and reconciled to the Club's accounting system every month.

2.5 Budget

- a) A budget is to be prepared each year and approved by the Board.
- b) The Board will ensure that expenditure is kept within budget where possible. The budget is to be reviewed halfway through the financial year and any variances to the budget should be explained by the Treasurer.
- c) Major expenditures over budget must be approved by the Board.

2.6 Financial Reporting

- a) The Treasurer is expected to provide year-to-date and monthly financial statements at each Board meeting.
- b) The Treasurer will coordinate the preparation of the Club's financial reports for the auditor before its submission to the Board and the members at the AGM.

2.7 Records

- a) The Club's accounting system must be backed up regularly with a copy of the backup kept in a secure location.
- b) All accounts records are to be kept up to date and available for inspection by the Board and Club members.
- c) All playing members must be registered with the Club and Bowls SA. These records should be reconciled to ensure that all players are invoiced accordingly.

2.8 Bad Debts

A debt should be 'written off' when the debt is more than two years old, no payments have been received in that period, legal and other collection action have been exhausted and, in the view of the Treasurer, there is no reasonable prospect monies owing will be collected. In those circumstances, the Treasurer shall recommend to the Board that the debt be written off and the action be recorded in the Club's financial statements.

2.9 Capital Expenditure

- a) No expenditure of a capital nature exceeding \$50,000 per project or \$100,000 in aggregate in any one financial year may be entered into without the approval of the members at a General Meeting. The Board may approve expenditure within these limits.

- b) For the purposes of this rule, the limits apply to the Club's contribution to a project or projects, and all other measures in any way extending the liabilities of the Club beyond the assets and estimated revenue of the Club.

2.10 Control Over Property

- a) The prior approval of a General Meeting is required for the following matters:
- negotiating a loan
 - granting security over any property of the Club.
- b) In all other respects, the property of the Club is subject to the control and disposition of the Board.

2.11 Borrowing Powers

- a) A General Meeting may, by ordinary resolution, authorise the Board to borrow funds. All members of the Club are bound by the decision of the General Meeting authorising the Club to borrow funds.
- b) Subject to section 53 of the Associations Incorporated Act 1985 (SA), the Club may invite and accept deposits of money from any person on such terms and conditions as may be determined by the Board.

3. PROCESSES: OPERATIONS CONTROL AND MANAGEMENT

3.1 Payments to Suppliers

3.1.1 Purchases

- a) Purchases for items over the value of \$1,000 must only be made to Board approved suppliers.

A register of Board approved suppliers will be maintained by the Administration Manager.

- b) Three quotes must be provided for items over the value of \$3,000.
- c) A purchase request must address all of the following criteria:
- purchasing that promotes environmental sustainability
 - value for money
 - preference to Australian/locally produced.

3.1.2 Purchasing Stock

It is a coordinator's/manager's responsibility to:

- order all the stock required
- identify core stock and ensure that appropriate levels are held at all times
- negotiate with suppliers for the best price, quality, delivery methods and returns policy
- keep up-to-date with customer and market trends and seek out new products for the benefit of the members.

3.1.3 Receiving Stock

When stock is received from the supplier, it is the coordinator's/manager's responsibility to:

- review delivered items on the delivery docket, including quantity, quality and completeness of order
- follow up and ensure a correct stock order will be received where there are possible issues on delivery, such as under/over supply, damaged goods, etc
- store the stock securely and in an appropriate area
- update all stock records within the point of sale (POS) and/or financial accounting system for receipt of goods
- forward any invoices for payment to the Treasurer,
- forward any pre-paid invoices/statements to the Treasurer for reconciliation by the end of each month.

3.1.4 Managing Stock

a) It is the coordinator's/manager's responsibility to:

- ensure there are adequate controls in place to minimise the risk of theft and/or waste of stock items
- ensure that all staff/volunteers are aware of new products, price changes and procedures for accurate recording of all stock movements
- monitor re-order levels and ensure orders are placed in adequate time to reduce the non-availability of core or necessary stock items.

b) It is the Treasurer's responsibility to:

- conduct a physical stocktake every month and match records of stocktake to electronic records
- ensure that all stock records are accurately kept
- appoint an independent person to undertake the stocktake in the event they are unable to do so.

3.1.5 Pricing Stock

It is the Board's responsibility to determine pricing of stock in consultation with coordinators/managers in line with the aim for pricing to meet a 60% keystone margin.

3.2 Asset Management

- a) All purchases of equipment above the value of \$100 must be entered in the Club's asset register with the following details:
 - date of purchase
 - supplier
 - make, model and warranty/guarantee information.
- b) The asset register shall be reviewed yearly.
- c) All agreements for the provision of services to the organisation in excess of \$250 are to abide by this policy.

4. RELATED DOCUMENT

APPENDIX A: Financial Delegation Register

Activity	Authorised Person/s	Position	Conditions	Date of Delegation
Authorised Bank Signatories		Treasurer	Board approved appointments; Two signatories required	28/10/24
		Admin Manager		28/10/24
		Banking Reconciliations		28/10/24
Financial Transaction Cards		Bar Manager	Up to \$5,000 per transaction unless otherwise approved by the Treasurer	28/10/24
		House Manager	Up to \$1,000 before Board approval required	28/10/24
Petty Cash		Treasurer	Up to \$50	28/10/24
	Authorised Bank Signatories		In the absence of the Treasurer	28/10/24
Supplier Purchases		Treasurer	Purchases for items over the value of \$1,000 require Board approval	28/10/24
		Admin Manager	Purchases for items over the value of \$1,000 require Board approval	28/10/24
		Bar Manager	Bar Manager up to \$5,000 unless otherwise approved by the Treasurer	28/10/24
		House Manager	Purchases for items over the value of \$1,000 require Board approval	28/10/24
		Greens Manager	Purchases for items over the value of \$1,000 require Board approval	28/10/24
Authorised Suppliers Register		Admin Manager	List of suppliers approved by the Board	28/10/24
Reimbursements		Treasurer	Payments to Treasurer must be authorised by two other bank signatories	28/10/24
	Authorised Bank Signatories		Payments to authorised bank signatories other than the Treasurer must be authorised by Treasurer and one other bank signatory	28/10/24
Signatory to funding agreements		Board Chair or Board delegate	Board approved appointment	28/10/24

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