

OUR COUGAR

FAMILY



FINANCE POLICY





Managed by: Cockburn Basketball Association

Responsible Person: TT

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BUSINESS AREA: Club and Governance

TITLE OF DOCUMENT: Finance Policy

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Approval Of Policy/Rules Documents

Amended by **Tyrone Thwaites**, Cockburn Basketball Association **CEO** on **01/04/2021**

POLICY: Cockburn Basketball Association Board Approved and Minuted V01 on 01/04/2021 at the scheduled board meeting.

Version	Date Approved	Next Review	Amendments
V01	01/04/2021	01/04/2023	



Cockburn Basketball Association – Finance Policy – March 2021

Purpose and Objectives

The purpose of this policy is to efficiently and accurately administer, record and report the finances of the Cockburn Basketball Association.

- To prepare annual budgets for each of the various sections of the Association and to compare the monthly and year to date transactions against the budgeted income and expenditure.
- To prepare a cash flow forecast to monitor receipts to and payments from the bank account to maintain a sufficient bank balance ensuring all obligations can be paid when due.
- To regularly review actuals against budget and act where necessary to bring income and expenditure back in line with the budget or amend the budget to accommodate any variations.
- To follow agreed procedures for recording all financial transaction in a current accounting system (such as MYOB) and to enter all transactions into the system in a timely manner.
- To accurately reflect project financials and capitalisations in the financial accounting system and regularly review the asset register of the association. To issue invoices for fees and services for prompt payment and to follow up on and collect any outstanding dues.
- To enforce agreed procedures for the authorisation of spending and approvals of payments of accounts.
- To ensure that all government requirements are met and forms such as BAS and PAYG are lodged on time and that consequent payments are made by the due date.
- To provide sufficient funding reserves for future investment requirements, related to capital works for the stadium.



Procedures

Bookkeeper is an employee of the Association, under the supervision of the CEO. The bookkeeper is responsible to carry out the required procedures under this policy, unless specifically indicated.

Annual Budget

Drafted by CEO (with help from bookkeeper) upon direction of the Board, proposed to Board by CEO & Finance Director.

The CEO, with support of the Bookkeeper, drafts the annual budget for the Association each year following direction of the Board of Directors, prepared by the Finance Director. It will be reviewed and approved by the Board prior the start of the Financial year. The budget should cover P&L, investments, and headcounts. Income and expenditure are budgeted exclusive of GST. The annual budget should be entered in MYOB to facilitate reporting.

Cash Flow Forecast

Inclusive of GST and based on the cash as it flows through the bank account each month. The cash flow forecast should be prepared at least every quarter but may need to be prepared monthly at the discretion of the Finance Director. Based on the annual budget it is a means to monitor the cash position and estimate the availability of cash for payments.

Reporting of monthly and year to date results

Summary reports comparing monthly and year to date results highlighting any material variations against budget or cash flow must be prepared and submitted for review by the Board within ten business days of the end of each month by the Finance Director with support from the Bookkeeper. The Finance Director is responsible to ensure that all financial numbers presented to the Board are accurate, and consistent with the Association's records.

Audits

The Association's financial records and transaction must be audited by an independent auditor before the AGM. The Bookkeeper will provide the financial records and any required information to the auditor(s). The CEO, Finance Director and President will be available to resolve any outstanding queries of the auditor.

Delegation of Authority

The CEO is formally delegated by the Board to authorise all expenditure as approved in the budget, subject to:

- All purchases and disbursements made by the Association must be made exclusively for the benefit of the Association in a manner which is fair, objective and financially sound. This applies to purchases of capital items and operational costs and related commitments, both budgeted and unbudgeted;



- Unbudgeted or unplanned expenditure greater than \$1,000 in any one instance or \$3,000 in total in any one calendar month must be referred to the Executive for approval, if more than \$10,000 in one month then to the Board for approval;
- Investment projects must be proposed by the CEO, including an implementation plan, purchasing options, expected benefits and cost estimates (covering both operating and capital expenses). Projects with greater than \$1,000 expenditure must be approved by the Executive, and if more than \$10,000 must be reviewed and approved by the Board;
- All CEO remuneration, outside of normal fortnightly remuneration, must be authorised by the Executive (collectively); and
- All business-related expenses reimbursed to the CEO must be authorised by one of the Association's approved signatories; and
- The CEO shall not dispose of assets or invest outside of the investment strategies approved by the Board.

Asset Register

The Bookkeeper must maintain an official Asset Register, recording all the capitalised assets of the Association. The Asset Register should be updated regularly as assets are acquired or disposed. The Asset Register must be reviewed and signed off by the CEO and the Finance Director before the annual financial year-end closing, and any changes must be reflected in the Asset Register and/or asset accounts.

Capital Investment Projects

Investment projects will typically involve both operating and capital expenses, which need to be budgeted and approved according to the Association's delegation of authority and spending limits. Capital expenses need to be provided to the Bookkeeper for recording (same process as for operating expenses). At the conclusion of the investment project, the Bookkeeper will record the new assets as capital expenditure in the appropriate Non-Current Asset account and add any capitalised assets to the Asset Register. Disposal of assets are also considered as capital investment projects, including for approval purposes. Disposal of assets must be notified to the Bookkeeper with disposal date and disposal amount for update into the Asset Register.

Year-end closure procedure for capital assets

The following steps need to be executed by the Bookkeeper at financial year end:

- Check Asset Register against Asset accounts in MYOB. Update accordingly.
- Once updated, ensure MYOB and Asset Register balance.
- Update Depreciation worksheet from Asset Register.
- Enter Depreciation journal in MYOB.
- Update Write Off worksheet from Asset Register (i.e.: disposals).
- Enter journals to reflect Disposal of Assets.
- Reconcile Asset Register to General Ledger balances in MYOB.



Capital Reserve Fund

The capital reserve fund will support a) large capital projects to improve the Association's facilities; or b) unforeseen difficulties requiring significant unbudgeted resources in exceptional circumstances.

The capital reserve fund shall be maintained separately from other transactional or investment accounts of the Association. After the initial seed funding, each year 2.5% of total revenue should be contributed to the capital reserve fund, provided an operating surplus can be achieved. Funds can only be withdrawn from the capital reserve with prior approval by the Board.

Any funds accumulated in the capital reserve fund are to be invested conservatively (with a major deposit taking institution covered by government guarantees, and without risk to the capital). Investments must be approved by the Finance Director. Three separate signatories, who must be Board members, shall be required to control the capital reserve fund.

Invoicing

All registration fees, external court hire, stadium hire, and any other services provided on a non-Cash basis must be invoiced payable within 14 days of invoice date. Outstanding overdue payments must be followed up and reported to the Board monthly. All invoices must be recorded by the bookkeeper into the association's financial records as income.

Purchasing

The Bookkeeper or CEO must process all orders to suppliers. Orders are subject to approvals by the CEO and in accordance with the expenditure limits as indicated above. For orders over \$3,000, three independent sourcing options need to be explored and evaluated based on best value for the Association, unless this requirement is waived by the Finance Director. All purchases must be recorded by the bookkeeper into the association's financial records as income.

Physical Stock take

The Association must carry out a physical stocktake of assets (for example merchandise) before the end of the financial year. Any discrepancies need to be recorded in the financial records of that financial year.

Reimbursements

Purchases made on behalf of the Association and paid by individuals are still purchases and fall under the same rules as above and need to be authorised by the CEO. Expenses incurred by the CEO must be approved by the President. All approved claims for reimbursement must be submitted to the Bookkeeper within a month of incurring the expense. Any claims outside that period may be refused. All reimbursements will be made by EFT to the individual's bank account.

Payments

Payments to creditors will be largely by EFT. All electronic payments must be approved by two authorized bank account signatories.



Cash Payments

Cash payments are only permissible when electronic payment methods are not available or practical.

Direct Debits

Where possible, regular periodic payments for contracted supplies, repayments, government charges, utilities, etc. should be set up as a direct debit through the bank, provided invoices are supplied as appropriate and payments are reviewed monthly. These payments are budgeted, and the Finance Director must approve the setting up of the periodic payments.

Debit Card

There are occasions when payments can only be made by card. Cards are limited to a maximum amount of credit of \$1,000 unless a higher amount is approved by the Finance Director. Use of debit cards can only be by the CEO, as authorised by the Board.

Review of Policy

The Board will review this Policy bi-annually to ensure that it remains consistent with the needs of the Association and the objectives and responsibilities of the Board.