

# Financial Management Policy

## Document History

Version	Date	Changed by	Description
0.10	01/11/2020	Jesse Whelan	Updated as per <b>ACFID</b> requirements
			Next review before annual board meeting

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## Purpose

The purpose of this policy is to clearly state how the funds of Plus Education are managed to prevent fraud and error.

## Scope of Policy

This policy applies all employees and Board Members as well as, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Plus Education including partners.

## Responsibilities

It is the responsibility of the Board to ensure that:

- Board members, staff, volunteers and partners are aware of this policy
- Any breaches of this policy that come to the attention of the Board are dealt with appropriately

It is the responsibility of the CEO to ensure that the Board has the information and reports required to assess the use of Plus Education funds.



## Policy

- Plus Education must use its funds (and ensure that its funds are used by third parties with whom it collaborates) only to further the purpose of Plus Education and not for personal use or gain.
- Plus Education funds and assets must be dealt with in a responsible manner, being reasonable and authorised.
- Plus Education will operate according to a budget.
- Plus Education will take steps to ensure funds transferred overseas are received and accounted for.
- Plus Education will keep financial records.

## Annual Budget

- It is the responsibility of the Board to conduct a budget planning process each year as part of its annual strategic planning.
- The budget is to be regularly monitored and reviewed.
- The budget must include country by country provision for overseas programs.
- Plus Education's budget must be flexible in responding to unforeseen events, including possible reductions in cash flow.
- All decisions about expenditure must be approved by the CEO to whom the Board has delegated responsibility

## Bank accounts

- All money is to be stored in a bank account or accounts in the name of Plus Education.
- Two individuals nominated by the Board are to be the eligible bank signatories for each account. Two signatories are required to open accounts in the name of Plus Education.
- Withdrawals or electronic transfers made from Plus Education's bank accounts must be approved by one Board member or a delegate authorised by the Board.

## Overseas transactions

- Funds transferred outside of Australia must be transferred using a formal banking system.
- The CEO or their delegate must obtain and verify written confirmation that the funds transferred have been received.

## Third party programs

- Plus Education pursues its charitable purposes in part through collaborating with a third party or third parties to deliver programs overseas.
- Plus Education is required by the ACNC External Conduct Standards (ECS) to ensure that resources given to third parties are applied with reasonable controls and risk management processes in place.
- As part of its ECS risk assessment, the Board authorises the CEO to determine what level of oversight is required in relation to the financial management of third parties, with reference to matters including the:



- level of risk associated with the operations;
- relationship with the third party;
- financial management procedures within the third party; and
- consequences of poor financial management by third parties.
- The CEO, on behalf of the Board, must consider whether it is appropriate to:
  - impose financial management obligations on third parties through a Memorandum of Understanding or other agreement;
  - offer training to third parties on financial management;
  - require third parties to produce a financial management policy or procedure (or provide one for them to adopt); and/or
  - implement Plus Education's own controls and monitoring systems to oversee the third party's financial management.

### **Financial records**

- Plus Education must retain financial records for seven years that correctly record and explain:
  - how Plus Education spends or receives its money or other assets; and
  - Plus Education's financial position and performance.
- The financial records should allow for true and fair financial statements to be prepared, audited and reviewed by the Board.
- For operations and activities outside of Australia, financial records showing income and expenditure must be prepared on a country by country basis.
- Plus Education must conduct an annual audit or review as required by its ACNC obligations.

### **Compliance with this policy**

- The Board must comply with this policy and review compliance as part of its standard self-evaluation.
- If the CEO or Board have reason to believe that this policy has not been complied with, they must investigate.

### **Related documents**

- Anti-corruption and bribery policy
- Counter-terrorism and anti-money laundering policy
- Fraud control policy
- HR policy
- Overseas Payment Policy
- Procurement policy