

# **AUSTRALIAN COUNCIL OF PROFESSIONS (ACoP)**

## **Financial Management Policy**

### **Policy**

1. The Financial Management Policy identifies the broad financial objectives of ACoP and the broad budget and planning processes to be adopted.
2. The Board in seeking to meet the objectives of ACoP as set out in the Constitution must ensure that the organisation always operates in a responsible and financially sustainable manner.
3. The Board will establish and monitor an annual budget that normally achieves at least a break-even outcome. As part of longer-term financial planning the Board will seek to achieve a surplus to fund future operations and initiatives. The Board may approve a budget from time to time that results in a loss where it seeks to invest funds to develop future initiatives and improvements.
4. The budget must be flexible in responding to unforeseen events, including possible reductions in cash flow, and therefore be regularly monitored and reviewed.
5. The ACoP operates on a calendar year budget which is based around cash accounting principles. The ACoP has not-for profit status with the Australian Taxation Office.
6. The financial, administrative, and budget processes will be overseen by an Administration and Finance Meeting group ("AFM") normally comprised of the President/Chair, Vice President/Deputy Chair and Treasurer, with members of the CEO Team invited to attend as required.

### **Procedures**

#### **Budget and Planning Cycle**

7. The ACoP budget and planning cycle will normally operate as follows:
  - a) Quarterly budget review by Board – September
  - b) Commence to develop draft Operational Plan, which includes considering forecast membership growth, revenue growth and operational costs to support Operational Plan priorities for next financial year - Treasurer/Office of the CEO – from October.
  - c) Draft Operational Plan and budget submitted for consideration of Board – Treasurer – November
  - d) Final Operational Plan and budget submitted for Board approval – Treasurer – December
  - e) Monitoring and review – operational plan budget performance outcomes will be reported to the Board monthly -Treasurer/ Office of the CEO.

#### **Membership Invoices**

8. The setting, invoicing and reporting of ACoP membership fees will normally operate as follows:

- a) In accordance with section 9.2 of the Constitution the criteria for membership subscriptions and the due date for payment is set by the Board, normally as part of the annual planning and budget setting in November/December each year.
  - b) The AFM will determine the fees and due dates for each member organisation based on the criteria set by the Board.
  - c) Payments are normally annual, but the AFM may agree instalments with member organisations.
  - d) Payments are normally due 14 days from date of invoice, but the AFM may vary this for specific cases, including financial hardship or pending membership renewals.
  - e) The invoice will be sent to the member organisation with a covering by email to the member organisations with a covering email and along with an invitation to join. This invitation will highlight key activities undertaken by ACoP and other benefits of joining.
  - f) The Office of the CEO will maintain a spreadsheet record of fees due by amount, date due, when paid and any other general comments to allow reporting to the AFM and the Board.
9. The Treasurer will provide a schedule of fees received to the AFM and the Bookkeepers to allow monthly financial reports to be prepared and reconciled with bank statements.

### **Accounts Payable**

10. Payment of accounts once authorised by the approved delegate under the Delegations Policy may be made via automated direct debit/credit payments from nominated bank accounts or through a monthly payment schedule.
11. Direct debit/credit payments are normally for small regular payments for items such mobile phone, Xero accounting subscription or Zoom accounts. Where approved the payments can be arranged via the bank and charges made. The charge will be reconciled with the bank statements and listed in the monthly financial reports by the bookkeeping contractor, Trade Guardian.
12. For all other payments an invoice is required from the supplier and when received goes to the Treasurer to prepare a payment schedule. The schedule will list payments details including debtor name, service provided, bank detail and invoice number. The schedule will go to the President/Chair or Vice President/Deputy Chair for approval. Once approved the Treasurer will arrange payment via Netbank online banking process, which requires dual approval online. The schedule will also be send to the bookkeeper for reconciliation with bank statements. The payment schedule is normally done monthly but may be more frequent where needed.

### **Bank Account Signatories**

13. The signatories to all ACoP bank accounts must be approved by the Board as per the ACoP Delegations Policy

### **Term Deposit Renewals**

14. The Treasurer will maintain a reasonable amount of operating funds in an account with daily withdrawal terms

15. The Treasurer will keep any surplus funds in high-interest term deposits structured in line with payment needs set by annual approved budget

16. The Treasurer will report on the ACoP term deposits in the Financial Reports to the Board.

### **ATO Contacts**

17. In accordance with the requirements of the Australian Taxation Office the nominated contacts are as follows:

- Public Officer – the occupant of the Treasurer position appointed by the Board or another person approved under delegation from the Board by the AFM; and
- Authorised Contact – the accounting firm appointed by ACoP, presently being RSM Australia Pty Ltd

18. The personal details of the Public Officer must be updated and lodged with the ATO as they change. The authorised contact can undertake these changes as directed by the AFM.

### **APPROVALS AND VARIATIONS**

#### **NEW POLICY AND PROCEDURE**

APPROVED BY BOARD: 3June 2020

RESPONSIBLE OFFICER: Treasurer

REVIEW DATE: 2023

#### **MEMBERSHIP INVOICE /ACCOUNTS PAYABLE/BANK ACCOUNT SIGNATORIES / TERM DEPOSIT RENEWALS PROCEDURES ADDED**

APPROVED BY CHAIR/DEPUTY CHAIR - 22 June 2020

RESPONSIBLE OFFICER - Treasurer

REVIEW DATE - 2022

#### **POLICY CHANGES/ ATO CONTACTS PROCEDURES ADDED**

APPROVED BY BOARD - 19 November 2020

RESPONSIBLE OFFICE - Treasurer

REVIEW DATE - 2023