



SOUTH WEST ACADEMY OF SPORT (SWAS)

Financial Policies and Procedures Manual



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1. Policy Statement

- 1.1. To implement and maintain systems of control to ensure that SWAS carries out its activities in an efficient and orderly manner, adheres to policies, safeguards its assets and promotes financial sustainability.

2. Purpose

- 2.1. This Financial Policies and Procedures Manual (the Manual) documents the Internal risk management and audit controls adopted by SWAS to safeguard assets, secure the accuracy and reliability of accounting data and financial reporting and promote operational efficiency.
- 2.2. SWAS is committed to protecting its revenue, expenditure and property from any attempt to gain by deceit, financial or other benefits, by either members of the public, contractors, elected members or its own employees.

3. Definitions

- 3.1 Definitions within this Manual are consistent with Australian Accounting Standards, ATO legislation and ASIC requirements.

4. Legislative and Corporate Requirements

- 4.1 This Manual is to be read and implemented in conjunction with SWAS's other relevant policies, strategies and documents, including:
 - 4.1.1 Constitution
 - 4.1.2 Board Charter
 - 4.1.3 By-Laws
 - 4.1.4 Strategic Plan

5. Application of Policy

- 5.1 The aim of this manual is to maximise the accuracy and reliability of SWAS records by specifying internal control procedures with an emphasis on:
 - 5.1.1 Separation of roles and functions performed by staff
 - 5.1.2 Review and reconciliation of financial records
 - 5.1.3 Detecting and correcting irregularities in a timely manner
 - 5.1.4 Access to and security of computer programs and data
 - 5.1.5 Access to and security of cash, assets and other SWAS resources
 - 5.1.6 Sound budget management and variance reporting
 - 5.1.7 Ensuring adherence to policies and procedures
 - 5.1.8 Containing the financial risks faced by SWAS to an acceptable level
 - 5.1.9 Prudent financial governance

6. General Financial Transactions

6.1 Accounting/Bookkeeping

6.1.1 SWAS accounting records are currently maintained on a weekly basis.

6.1.2 The following accounting records will be maintained:

- Consecutive record of cash receipts and payments
- General Journal
- General Ledger
- Subsidiary Ledgers including Accounts Receivable & Accounts Payable
- Other records necessary to fully document and explain the financial transactions of SWAS

6.1.3 Subsidiary ledgers shall be reconciled with the general ledger at least monthly

6.1.4 Employees working within the finance function will have the capabilities and training, commensurate with their responsibilities.

6.2 Monies Received

6.2.1 Monies received shall be recorded by one entry for each individual transaction. Each transaction must be recorded in the SWAS finance system.

6.2.2 Each payment received shall be issued with a receipt / 'paid' tax invoice.

6.2.3 The receipt / 'paid' tax invoice record shall indicate the mode of payment, i.e. cheque, cash, EFTPOS etc.

6.2.4 Cheques received must be crossed "not negotiable".

6.2.5 Receipts shall be issued in numerical sequence and generated by the SWAS financial system.

6.2.6 Mail will be opened by the CEO weekly

6.2.7 Cheques and cash received through the mail will be processed daily by the CEO for banking and receipting.

6.3 Banking

6.3.1 Monies received by an employee or volunteer of SWAS must be paid into a SWAS bank account.

6.3.2 Monies received by or on behalf of SWAS must be banked as soon as practicable on or after the day of receipt.

6.3.3 Detailed records of SWAS's banking activities must be kept.

6.3.4 Banking shall be reconciled with receipts.

6.3.5 In the intervening periods between banking, monies received will be deposited in the SWAS lock box.

6.4 Reimbursement of expenses

6.4.1 SWAS will reimburse its Board members, employees and volunteers expenses incurred by them on behalf of SWAS or in the course of SWAS business so long as such expenses are:

- Reasonable and
- Authorised

6.4.2 Reimbursement of reasonable but unauthorised expenses may be made on an case-by-case basis at the discretion of the CEO in exceptional circumstances only.

6.4.3 Board members, employees and volunteers incurring authorised expenditure must, wherever possible, receive, retain and produce receipts, invoices, vouchers, tickets or other evidence of such expenditure. All invoices for SWAS supplies costing more than \$75 and which attract GST must be compliant Tax Invoices.

6.4.4 It is the responsibility of all Board members, employees and volunteers to ensure that their applications for reimbursement conform to this policy.

6.4.5 **Prohibited reimbursements:**

SWAS will not reimburse Board members, employees or volunteers for:

- Unauthorised expenses
- Expenses claimed by an employee as a tax deduction
- Expenses normally recoverable from a third party
- Claims for purchases that are required to be made under a SWAS purchase order
- Expenses that are not incurred for business purposes
- Late payment interest on credit cards
- Parking, traffic, or other fines and penalties

6.4.6 **Travel expenses:**

- Board members, employees will be reimbursed for the most direct and economical mode of travel available, considering all of the circumstances.
- Board members, employees and volunteers will not be reimbursed for additional costs incurred by taking indirect routes or making stopovers for personal reasons.
- Reasonable travel costs incurred by Board members or employees may be reimbursed by the organisation subject to the process described in 6.4.12 – 6.4.15
- Trip cancellation is eligible for reimbursement.

6.4.7 **Accommodation expenses**

- Board members, employees and volunteers will be reimbursed for moderate accommodation, expenses, considering all of the circumstances.
- Board members employees and volunteers will not be reimbursed for items of a personal nature charged to a hotel account.
- When accommodation is provided by a Board member, employee or volunteer's friend or relative, to whom the Board member, employee or volunteer gives money or a gift as compensation or as a sign of appreciation, the Board member, employee or volunteer may claim an overnight expense in accordance with per diem rates, as shall be determined by the organisation from time to time.

6.4.8 Meals

- Board members, employees and volunteers will be reimbursed for reasonable and appropriate meal expenses actually incurred on SWAS business.

6.4.9 Provision of hospitality

- Board members, employees and volunteers will be reimbursed for hospitality expenses incurred in the course of SWAS business, as appropriate.
- Appropriate hospitality charges include events hosted or sponsored for the purpose of promoting SWAS's work or enhancing its image, and include meals that are related to the transaction of SWAS's business.
- When SWAS's Board members, employees and/or volunteers dine together while on SWAS business it is appropriate for the **senior person** (if any) to arrange payment and submit the claim for reimbursement.

6.4.10 Advance payments may be authorised where appropriate. Such payments will be subtracted from the amount of any later reimbursements. If expenditure is, for whatever reason, not incurred then any advance payments made, or any unspent portion of such payments, must be returned.

6.4.11 Fixed *per diem* payments may be authorised where appropriate.

6.4.12 Except where *per diem* payments have been authorised, Board members, employees and volunteers incurring authorised expenditure must, wherever possible, retain and present original receipts, invoices, vouchers, tickets or other evidence of expenditure. Where such evidence is for any reason lacking, statutory declarations may be sought.

6.4.13 Board members, employees and volunteers incurring authorised expenditure must submit requests for reimbursement to the CEO (depending on the sum in question) on the standard form (see Appendix A), describing the nature and purpose of the expenses. The completed form must be signed by the applicant.

6.4.14 The CEO is responsible for determining if expenses being claimed are reasonable given the circumstances, and for ensuring they are charged against the appropriate account, and that any requirements under the Fringe Benefits Tax legislation have been met. In the case where the CEO is requesting a reimbursement this shall be approved by the Board Chair.

6.4.15 Claims that have not been properly prepared, authorised or supported by adequate documentation will be returned to the claimant and the reasons will be given for not processing the claim.

6.5 Bank Accounts

6.5.1 Bank accounts will be operated exclusively for the purpose of conducting SWAS activities and business.

6.5.2 Those presently approved to sign bank accounts are:

- Chairperson/President - SWAS
- Treasurer
- CEO
- Vice Chairperson

- 6.5.3 At least two authorised bank signatories are required to authorise third party disbursements from SWAS's main operating accounts. For items in excess of the delegated authorities limits outlined in clause 7.2.6 one of these two signatories must be either the Chairperson/President or Other Board member notified above in 6.5.2.
- 6.5.4 All accounts will be in the name of South West Academy of Sport Incorporated. New bank accounts can only be opened with the approval of the CEO and President.
- 6.5.5 Bank reconciliations for each bank account operated by SWAS shall be prepared monthly and reviewed by the Board quarterly.
- 6.5.6 Transactional banking is to be carried out through banking institution(s) approved by the SWAS Board from time to time.
- 6.5.7 Consistent with SWAS's conservative financial profile, SWAS will only consider banking with Government guaranteed banks.
- 6.5.8 Banking trends and costs will be monitored by the CEO and a working relationship with the approved banking institution will be maintained.

6.6 Investment(s)

6.6.1 SWAS must:

- Avoid investments that are speculative or of a high risk nature
- Obtain independent and impartial advice concerning investment and / or the management of investments with the exception of term deposits and at call accounts deposited and held with recognized banking institutions
- Review the performance of investments at least annually
- Protect directors and employees from civil liability for an honest act, or omission, in the exercise of their duties where and when undertaken with proper due diligence, in good faith and without negligence.

6.6.2 Investment performance will be reviewed regularly and the outcome will be reported to the SWAS Board annually (June)

6.7 Debtors

- 6.7.1 Any revenue generating services which are purchased by various individuals and organisations must have an invoice raised for all services provided within (7) days. This invoice shall remain a debt to SWAS up to the time it is paid or written off.
- 6.7.2 The SWAS CEO will complete and approve a Debtor Invoice Request Form (DIRF) immediately an amount becomes due and payable.
- 6.7.3 Invoices will be raised upon receipt of a DIRF by the SWAS CEO.
- 6.7.4 Invoices will be entered into Xero and issued in numerical sequence and be GST compliant.



6.7.5 Records shall be maintained for all debtors and transactions relating thereto.

6.7.6 SWAS's standard terms and conditions include payment 30 days from the date of invoice. After 30 days, the amount is considered "overdue". These T&C's may vary from time to time with the express approval of the CEO.

6.8 Debt Collection

6.8.1 SWAS will apply prudent debt management practices. Outstanding debtor balances shall be reviewed by the CEO and/or the Treasurer at least monthly and appropriate action initiated to recover debts. This will include:

- 30 Days: First Reminder letter
- 60 Days: Final Notice requesting payment within 14 days
- 90 days: Debtors that fail to pay with 90 days of the invoice date will be referred to the Board for further action, as considered appropriate.

6.8.2 SWAS must ensure that debt is managed in a way which is fair and equitable to the debtor and efficient for both parties. SWAS acknowledges that a debtor's financial circumstances can change. As a result, if financial difficulties are experienced or are anticipated, debtors will be encouraged to promptly initiate discussions with SWAS to seek alternative arrangements.

6.8.3 Should the debtor fail to meet the payment terms without having made contact with SWAS regarding difficulties, SWAS will reserve the right to invoke debt recovery procedures to ensure a fair, equitable and consistent approach to all debt follow up. At all times consideration will be given to the amount overdue and the circumstances of the debtor.

6.9 Provision for Doubtful Debts

6.9.1 A provision for doubtful debts will be established by resolution of the Board based on a review of debtors >60 days that it considers at risk.

6.9.2 Outstanding debtor balances shall be reviewed by the CEO at least quarterly to ensure doubtful debts are adequately provided for and that appropriate follow up activities are undertaken.

6.10 Bad Debts/Write Offs

6.10.1 Debts shall be written off only when all reasonable attempts at recovery have been taken and failed.

6.10.2 The CEO must prepare a recommendation for write off for initial approval by the President.

6.10.3 Bad debts up to \$500 may be approved by the SWAS CEO.

6.10.4 A recommendation for write off greater than \$500 shall be made by the CEO to the Board following discussion with the person responsible for the raising of the invoice.

6.11 Credit Cards /Debit Cards

- 6.11.1 SWAS owned Credit/Debit Cards will be provided to persons as approved by the CEO and as advised to the SWAS Board.
- 6.11.2 Debit or Credit cards shall only be issued to the SWAS CEO and the SWAS President.
- 6.11.3 The corporate debit/credit card recipient must comply with the conditions of use as set out in the “Credit Card Agreement” and “Acknowledgement by Cardholders” that must be signed before the card is issued. This document details limits on usage and conditions relating to documents required to support credit card transactions.
- 6.11.4 Debit/Credit card expenditure must be authorised by the card holder, supported by the appropriate documentation with a notation detailing its particulars and be submitted to the CEO for reconciliation with the statement of account monthly.
- 6.11.5 The cardholder will ensure that a satisfactory description of the goods purchased is on the sale docket / tax invoice.
- 6.11.6 The use of a debit/credit card for cash withdrawals is prohibited.
- 6.11.7 For Fringe Benefit Tax (FBT) purposes, hospitality or entertainment payments which are charged on the credit card must be accompanied by information such as the reason for the function, the number of internal parties and the total number of people in attendance at the function.
- 6.11.8 Where a credit card is lost or stolen, the cardholder must immediately report it to the Bank for cancellation and then report this to the CEO.
- 6.11.9 Any card holder who does not comply with the conditions of use, will have the card withdrawn & may be subject to disciplinary action. The cardholder must return the card immediately should they cease to be a representative of SWAS or when so directed by the CEO.
- 6.11.10 Credit Card limits are as follows:
 - \$5000.00
- 6.11.11 Credit card limits may be amended when circumstances require a higher credit limit. Any such increase must be approved by the CEO and President.

6.12 Accounts for Payment and Disbursements

- 6.12.1 Payments must only be made on invoice (not statement).
 - 6.12.1 All invoices submitted for payment shall be certified by CEO as to:
 - 6.12.1.1 The receipt of the goods or services being in accordance with the relevant purchase order
 - 6.12.1.2 The prices charged being accurate, fair and reasonable
 - 6.12.1.3 An appropriate detailed explanation of the expense



6.12.2 All accounts for payment must be GST compliant and if non-compliant shall remain unpaid until GST compliant.

6.12.3 A payment on behalf of SWAS shall be made:

6.12.3.1 By Electronic Funds Transfer (in the first instance), or cheque drawn on the SWAS bank (in the second instance); or

6.12.3.2 by Direct Debit (where prior approval has been given by the CEO).

6.12.4 Unused cheques shall be in the custody of the Director of Finance who shall maintain a register.

6.13 Loans/Borrowings

6.13.1 There will be no borrowings for asset replacement / renewal and / or extraordinary items unless approved by the SWAS Board on the recommendation of the CEO.

6.13.2 A register of loans raised by SWAS will be maintained by the SWAS staff.

6.14 Fringe Benefits Tax

6.14.1 Fringe Benefits Tax (FBT) is paid on benefits in place of, or in addition to, salary or wages of employees.

6.14.2 Fringe benefits provided are required to be reported on an employee's annual PAYG payment summaries. As the FBT year is not aligned with the financial year, the benefits reported on payment summaries is for the preceding FBT year.

6.14.3 SWAS will comply with the relevant FBT legislative requirements.

6.15 Goods and Services Tax

6.15.1 SWAS's ABN is 34 593 195 027.

6.15.2 SWAS must comply with all relevant GST legislation.

6.15.3 With the exception of participants and volunteers, SWAS will only deal with suppliers who have an Australian Business Number (ABN) or suppliers who are prepared to sign a "Statement by Supplier" tax declaration. A register will be kept of all suppliers who have signed this declaration by the CEO.

6.15.4 For purchases of goods and services exceeding \$75 and which attract GST, SWAS must obtain a compliant Tax Invoice. For amounts less than \$75 an account detailing items supplied with total GST is sufficient.

6.15.5 All invoices for SWAS supplies costing more than \$75 and which attract GST must be compliant Tax Invoices.

6.16 Auditor Policy

6.16.1 SWAS's Auditor shall be appointed by the members by resolution at the Annual General

Meeting.

- 6.16.2 The Board is responsible for monitoring the performance of SWAS's Auditor.
- 6.16.3 The Board should meet with the Auditor each year to discuss their findings and recommendations.

6.17 Annual Budget/Annual Business Plan

- 6.17.1 The annual SWAS budget must include all relevant major projects that will be undertaken in that budget year.
- 6.17.2 The SWAS CEO will consult with staff for any recommendations for budget purposes no later than the end of May for review and consolidation into the overall SWAS Budget.
- 6.17.3 The SWAS CEO will utilise financial information from the XERO system to assist with budget development where appropriate.
- 6.17.4 The budget will be prepared on an organisational basis, deal with each activity on a separate basis and must comply with recognised accounting standards and principles
- 6.17.5 The Board will review and approve the Annual Budget (Cash Flow and Profit & Loss Statement) by the end of June in preparation for the next for approval by the SWAS Board.
- 6.17.6 SWAS's annual budget will be prepared giving due consideration to the "Strategic Plan" which will address the activities SWAS intends to undertake in the next year.
- 6.17.7 The budget will reflect likely changes to operational and organisational structure for the next budget period.
- 6.17.8 The following budget principles will underpin the budget development:
 - Strategic Approach - to the delivery of SWAS services within SWAS's strategic priorities
 - Long Term Financial Planning - with long term financial plans to ensure sustainability of operations
 - Meet long term liabilities - and ensure appropriate funding for infrastructure provisions
 - New Initiatives are to be fully costed and evaluated in terms of meeting SWAS's strategic priorities
 - Financial Control - to minimise SWAS's exposure to risk
- 6.17.9 Performance against budget will be monitored monthly by the CEO and the Board.
- 6.17.10 The CEO will present to the SWAS Board monthly, a report that compares budgeted performance to actual performance with explanations for material budget variances. These reports will be presented to the SWAS Board quarterly.

7. Purchases

7.1 Purchasing, Quotations and Tenders

7.1.1 Where the expected outlay for goods or services exceeds \$10,000 SWAS must obtain tenders or quotations for the supply of goods, the provision of services or the carrying out of works; where possible 3 quotations should be obtained

7.1.2 Procurement will be undertaken by SWAS in a way which:

7.1.2.1 Encourages purchases being made in an open, fair and transparent manner

7.1.2.2 Facilitates achieving value for money in the acquisition through the most appropriate provider with preference to local supply. A 10% margin will be applied for local suppliers in South West Victoria.

7.1.2.3 Ensures open and effective competition

7.1.2.4 Supports environmentally safe and sustainable procurement

7.1.2.5 Appropriately manages risks

7.1.2.6 Promotes efficient purchasing practices and their continuous improvement

7.1.2.7 Encourages local and Australian businesses

7.1.2.8 Encourages the maintenance of assets at high standards in the most cost effective manner

7.1.2.9 Ensures the integrity of all procurement processes conducted by SWAS

7.1.2.10 Provides a fair and transparent process for calling tenders and entering into contracts in those circumstances

7.1.3 Cost is not the only factor in assessing and determining value for money. Other factors for consideration may include (but not be limited to):

7.1.3.1 Performance history of each prospective supplier

7.1.3.2 Flexibility to adapt to possible change over the lifecycle of the property or service

7.1.3.3 Evaluation of contract options (for example, contract extension options)

7.1.4 Ethical Behaviour

7.1.4.1 Employees and Directors involved in procurement should act in an ethical way which encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency and the declaration of any possible, perceived or actual conflict of interest

7.2 Purchase of Property, Goods and Services

- 7.2.1 All SWAS purchases must be approved by the SWAS CEO, or the Board
- 7.2.2 No SWAS employee, director or volunteer is to commit SWAS funds to a supplier without authorisation from the SWAS CEO funds.
- 7.2.3 Purchases will be:
 - 7.2.3.1 Approved by the SWAS CEO, or the Board
 - 7.2.3.2 Retained electronically on XERO
- 7.2.4 The SWAS CEO may maintain a list of preferred suppliers who have demonstrated high quality, dependability and value for money.
- 7.2.5 Before a non-budgeted SWAS purchase is authorised it is to include an estimate of the cost of the goods and services so ordered and the appropriate general ledger account number for costing purposes.
- 7.2.6 Budgeted items shall be deemed to have been authorized by the SWAS Board at the time of setting the budget. When exercising purchasing delegation relating to unbudgeted items the following limits must be observed:

PERSONNEL	SINGLE ITEM LIMIT (BUDGETED)	SINGLE ITEM LIMIT (NON BUDGETED)
EO	< \$10,000	< \$5,000
SWAS BOARD	> \$10,000	> \$5,000

- 7.2.7 The competitiveness of any quotation / tender shall be evaluated on the following basis:
 - 7.2.7.1 All facets of the supplier’s offer including price, quality, usability, environment procurement and sustainability, delivery and the willingness of the supplier to accept SWAS’s terms and conditions of purchase
 - 7.2.7.2 Standardisation and compatibility with other SWAS equipment
 - 7.2.7.3 The expected life, anticipated running and maintenance costs, the willingness of the supplier to guarantee ready availability of parts and servicing and the likely disposal value of equipment offered
- 7.2.8 Purchasing practice will be designed to minimise inventory stock. The holding of items in stock will be based on cost effectiveness and / or the need to hold essential or scarce items. Stock inventories will work on the “just in time” principle.
- 7.2.9 In addition to the above policies the following principles will be applied:
 - 7.2.9.1 Quotations / tenders should encourage open, transparent and effective competition for SWAS’s business

- 7.2.9.2 SWAS must be, and must be seen to be, a fair and even-handed purchaser by all existing and potential suppliers and the public
- 7.2.9.3 The confidentiality of suppliers and tenderers is to be protected where possible. Adequate safeguards must apply to secure the confidentiality of tenderers. All information provided between the tenderers and SWAS shall be treated as confidential and both the tenderer and SWAS shall maintain such information as confidential and commercial in-confidence.
- 7.2.9.4 SWAS should endeavour to combine major purchase requirements with other SWAS purchases where it is advantageous to do so with the same supplier

7.3 Contracting Out

- 7.3.1 SWAS will provide services in the most effective manner possible using either contractors or SWAS employed labour, whichever is appropriate and always subject to the ability to deliver excellence. SWAS will take into account the need for specialist short term skills and equipment needs and balance against the need to maintain a strong SWAS employed skills base. This will enable the provision of a range of services and the provision of good community governance.



8. Salaries and Wages

8.1 Payroll

- 8.1.1 Records will be maintained in respect of all employees
- 8.1.2 Salaries and wages will be paid on a fortnightly basis in accordance with individual employment contracts. Salaries and wages will be paid on the basis of hours of attendance recorded on an approved time sheet for all ad hoc / casual employees.
- 8.1.3 All claims for the accrual of Time in Lieu (TIL) must be pre-authorized by the CEO.
- 8.1.4 All annual leave and long service leave must be applied for in writing by employees and authorised by the CEO prior to commencement of leave.
- 8.1.5 All sick leave must be authorised by the CEO as soon as practical after the period of absence, and will be paid in accordance with SWAS's Employment Policy and / or the relevant award.
- 8.1.6 The employment procedures outlined in SWAS's Staff Policy Manual must be followed before new employees are entered into SWAS's payroll.
- 8.1.7 Payroll deductions on behalf of employees will be limited to:
 - 8.1.7.1 Statutory deductions
 - 8.1.7.2 Court Ordered Deductions
 - 8.1.7.3 Other Deductions as outlined in employment contracts
 - 8.1.7.4 Other authorised deductions by the CEO

9. Accounting for SWAS Assets - Property, Plant, Equipment Infrastructure

9.1 Definition of a Fixed Asset

- 9.1.1 Where the future economic benefits of an asset are expected to occur over a period spanning more than one financial year and the purchase price / cost value exceeds \$5,000 the asset will be recognised as a “non-current” asset in SWAS’s balance sheet.
- 9.1.2 Acquisition costs of assets which total less than \$5,000 will be treated as operating expenses.

9.2 Initial Recognition

- 9.2.1 Assets are recognised at the lower of cost or net realisable value except where a note to the accounts provide for an alternative treatment. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by SWAS includes the cost of all materials used in construction and direct labour on the project.
- 9.2.2 Capital works still in progress at balance date are recognised as other non- current assets (under Works In Progress) and transferred to infrastructure, property or plant & equipment when completed and ready for use.

9.3 Subsequent Recognition

- 9.3.1 Certain assets may be re-valued on a regular basis such that the carrying values are not materially different from fair value.
- 9.3.2 The value of non-current assets, other than receivables and investments, are to be reviewed at least every five years. If at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be re-valued regardless of when the last valuation took place.
- 9.3.3 Revaluation increments arising upon revaluing the above mentioned non-current asset classes to their depreciated replacement cost are credited directly to the asset revaluation reserve.
- 9.3.4 Where assets are re-valued to depreciated replacement cost, (adjusted to reflect the present condition of the assets) and not by reference to current prices for assets newer than those being re-valued, any balances of accumulated depreciation existing at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are increased or decreased by the revaluation increments or decrements.

9.4 Depreciation of Non-Current Assets

- 9.4.1 Straight line depreciation is used for all non-current assets on the basis that the economic benefits, being the service provided by the asset, are generally used in a uniform manner throughout the asset's useful life.
- 9.4.2 In accordance with AASB 116 – Property, Plant & Equipment, depreciation of an asset will begin from the time the asset is available and ready for use. In the case of contributed assets, depreciation will begin from the time of handover to SWAS of those assets.
- 9.4.3 Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over the useful life in a manner which reflects the consumption of the service potential embodied in the asset.
- 9.4.4 Major depreciation periods for each class of asset are shown below.

ASSET CLASSIFICATION	USEFUL LIFE
MOTOR VEHICLE	8 years
OFFICE EQUIPMENT	3 to 5 years

9.5 Disposal of Fixed Assets

- 9.5.1 All non-current assets will be removed from the asset register on disposal.
- 9.5.2 When an asset is sold and its selling price varies from the carrying amount in the balance sheet, a gain or loss on disposal will be recognised directly to the Income Statement.
- 9.5.3 When an asset disposed of has been subject to revaluation, the net increment in the asset revaluation reserve relating to the disposed asset will be transferred to Accumulated Funds.
- 9.5.4 Partial renewal / replacement of an asset is recognised by adding the renewal / replacement cost to the existing asset value. The useful life of the asset will be adjusted, if necessary, at the time of reviewing the useful lives.

9.5.5

9.6 Capitalisation Threshold

9.6.1 The following table provides guidance when determining whether expenditure is either capital or operating in nature. These limits are subject to change based on ATO legislation and/or accounting standards that may change from time to time.

	Operating/Maintenance (<\$5000)	Capital (>=\$5000)
IT & Office Equipment / Furniture & Fittings	<ul style="list-style-type: none"> Expenditure <\$5,000 for individual hardware/ furniture assets or assets that cannot be easily grouped. Annual software licence and maintenance fees and all minor upgrades to core operating systems. 	<ul style="list-style-type: none"> Expenditure >=\$5,000 for individual hardware/furniture assets, or assets that can be easily grouped. Costs associated with the purchase or major upgrades of core operating systems.
Signs	<ul style="list-style-type: none"> Repairs to existing signs. 	<ul style="list-style-type: none"> All new signs. Complete replacement of existing signs.
Land	<ul style="list-style-type: none"> Landscaping to otherwise arable land that is intended to keep the asset in service but does not extend the life of the asset. All maintenance of landscaping structures. Renewal of mulch and garden beds. 	<ul style="list-style-type: none"> Landscaping to improved land that extends the life of the asset. Landscaping to otherwise arable land that extends the life of the asset.
Buildings	<ul style="list-style-type: none"> All maintenance of any component of the building. 	<ul style="list-style-type: none"> Any structural addition to the building that extends the life of the asset. Repairs/renewal that extends the life of the asset.



9.7 Asset Register

9.7.1 An asset register will be kept and maintained in accordance with acceptable accounting standards.

9.7.2 A register will be kept of all portable items regularly removed from the office premises for the purpose of conducting events.

(Valuable portable items which are more likely to be subject to loss due to theft or misplacement shall include items such as laptops, cameras and communication equipment.)

9.8 Sale of Other Assets

9.7.2.1 Other assets such as plant and equipment surplus to requirements will be offered for resale or traded-in on new items.



10. Registers

10.1. Registers of SWAS

10.1.1 Additional Registers shall also be maintained for the following information:

- 10.1.1.1 Insurances
- 10.1.1.2 Personnel
- 10.1.1.3 Delegation of authority

10.2 Insurance

10.2.1 Identified insurable risks will be covered with a policy of insurance.

10.2.2 The extent of cover, both risk and sum insured, shall be reviewed at least annually by the Board

10.2.3 Cover will include, as required:

- 10.2.3.1 Special risks
- 10.2.3.2 Consequential loss
- 10.2.3.3 Public liability
- 10.2.3.4 Members, officers, volunteers, Directors and employees
- 10.2.3.5 Professional Indemnity
- 10.2.3.6 Fidelity guarantee
- 10.2.3.7 Computer equipment
- 10.2.3.8 Workers Compensation
- 10.2.3.9 Accident and sickness
- 10.2.3.10 Travel



11. Computing/Electronic Accounting

11.1 Corporate Accounting Database

11.1.1 XERO accounting and payroll software is the standard financial system support for SWAS.

11.2 Security

11.2.1 Security of the general and subsidiary ledgers is implemented at both the hardware and software levels. Initial access to the system is restricted by individual user code and password validation. Access to the database is restricted by system access routines.

11.2.2 Access to application programs in the financial and rating systems is restricted by relevant module securities per employee and database access security.

11.2.3 The relevant securities for specific modules are set for employees working in the specific accounting areas of creditors, debtors, payroll, general ledger, receipting and rate accounting. Employees in the above areas have full access to the respective module's programs and can perform enquiry, reporting, data entry, processing and maintenance of financial records.

11.2.4 Employees outside these specific financial and rating areas are restricted to enquiry and reporting access only.

11.3 System Integrity

11.3.1 System integrity is maintained through the use of audit logs and reports. In addition a comprehensive system of data backups and system redundancy mean that recovery from either a system failure or potential disaster situation can be performed.

11.4 System Backup

11.4.1 The entire database is fully backed up overnight (offsite) with progressive incremental backups throughout the day.

12. Financial Records

12.1. Record Keeping

12.1.1 All records of financial transactions will be kept and maintained in accordance with prescribed requirements and general accounting standards.

12.1.2 Records will be taken to include both hard copy records and records stored electronically.

12.1.3 Records will be managed in the following manner:

12.1.3.1 Bank Account Records

12.1.3.1.1 Cheque Duplicates Destroy after seven (7) years

12.1.3.1.2 Cancelled Cheques Destroy after seven (7) years

12.1.3.1.3 Cheque/EFT Listings Destroy after seven (7) years

12.1.3.1.4 Register of Cheque Forms Destroy after seven (7) years

12.1.3.1.5 Bank Deposit Forms Destroy after seven (7) years

12.1.3.1.6 Bank Statements Destroy after seven (7) years

12.1.3.1.7 Deposit Cheque Listings Destroy after seven (7) years

12.1.3.1.8 Bank Reconciliations Destroy after seven (7) years

12.1.3.2 Debtors

12.1.3.2.1 Debtors Invoice Destroy after seven (7) years

12.1.3.2.2 Debtors Credit Note Destroy after seven (7) years

12.1.3.2.3 Debtors Trial Balances Destroy after seven (7) years

12.1.3.2.4 Debtors Ledger Destroy after seven (7) years

12.1.3.2.5 Debt Recovery Correspondence Destroy after seven (7) years

12.1.3.2.6 Receipts Destroy after seven (7) years

12.1.3.3 Ledgers and Journals

12.1.3.3.1 Subsidiary Ledger Journals Destroy after seven (7) years

12.1.3.3.2 General Ledger Journals Destroy after seven (7) years

12.1.3.3.3 Subsidiary Ledgers Destroy after seven (7) years



12.1.3.4 Creditors

12.1.3.4.1	Petty Cash Reconciliation	Destroy after seven (7) years
12.1.3.4.2	Petty Cash Vouchers	Destroy after seven (7) years
12.1.3.4.3	Creditors Invoices	Destroy after seven (7) years
12.1.3.4.4	Creditors Ledger	Destroy after seven (7) years
12.1.3.4.5	Creditors Trial Balances	Destroy after seven (7) years

12.1.3.5 Financial Statements

12.1.3.5.1	Annual Statement of Accounts - Certified Copy	Retain Permanently
12.1.3.5.2	Auditor's Report	Retain Permanently

12.1.3.6 Payroll

12.1.3.6.1	Time Sheets	Destroy after seven (7) years
12.1.3.6.2	Personnel Records	Destroy after seven (7) years
12.1.3.6.3	Workers Comp Claims	Destroy seventy-five (75) years after date of birth or seven (7) years after leaving
12.1.3.6.4	Payment Summary Duplicates	Destroy after seven (7) years

12.2 Long Term Financial Plan

- 12.2.1 A Long Term Financial Plan will be developed as part of SWAS's strategic management planning processes. The plan will provide a long term financial projection for a period of no less than 5 years and will be reviewed at least annually.
- 12.2.2 The Long Term Financial Plan will align with SWAS's strategic directions document and should form the basis for the annual budget each year.
- 12.2.3 Assumptions used in developing the plan will be reviewed yearly and updated in conjunction with SWAS's annual budget development process.
- 12.2.4 The assumptions used in developing the plan should address at a minimum SWAS's position on debt levels, the management of the assets, revenue increases and specific operational expenditure strategies.
- 12.2.5 The Long Term Financial Plan should comprise:

- 12.2.5.1 Estimated Income Statement
- 12.2.5.2 Estimated Balance Sheet
- 12.2.5.3 Estimated Cash Flow Statement
- 12.2.5.4 Estimated Statement of Changes in Equity
- 12.2.5.5 Estimated Budget Funding Summary
- 12.2.5.6 Capital & Project Expenditure Project Listings

12.3 Statutory Financial Reporting

- 12.3.1 Annual financial statements shall be prepared in accordance with applicable Australian Accounting Standards and other applicable standards or regulations.
- 12.3.2 Audited financial statements will be presented to the SWAS AGM for adoption not later than November each year.
- 12.3.3 Audited financial statements will be submitted to Consumer Affairs and to other bodies as required.
- 12.3.4 A summary of significant Accounting Policies for the purpose of preparing the annual audited financial statements will be contained in the Notes to the Accounts in the Annual Report.

12.4 Procedures for the Certification of the Annual Financial Statements

- 12.4.1 The CEO will prepare draft statements for submission to the Board and for the external auditor.
- 12.4.2 The Board will review the draft statements to ensure that they present fairly, the affairs of SWAS. This review will be conducted independently of the external audit. However, it is anticipated that the Board will have the benefit of any information available (informal or otherwise) on particular matters raised by the auditor up until the time of the review. Any suggested changes will be provided to the CEO.
- 12.4.3 Following the external audit, the CEO and auditor will propose any necessary amendments to the draft statements.

13. Reviews

- 13.1 This Manual will be reviewed in line with SWAS's Strategic Plan and other adopted policies as required.

14. Further Information

- 14.1 For further information about the Finance Policies and Procedures Manual please contact the CEO.



APPENDIX A: SWAS REIMBURSEMENT REQUEST FORM

This form should only be used if circumstances have prevented the normal ordering/purchasing process from being completed. Reimbursements should not be utilised on a regular basis.

Employee Information

<i>Employee/ Volunteer Name:</i>	
<i>Employee ID:</i>	<i>Job Title:</i>
<i>Email:</i>	
Banking Details	
<i>Account Name:</i>	<i>BSB:</i>
<i>Account Number:</i>	

Details of Purchase/s

<i>Date of purchase/s:</i>	<i>Reimbursement Amount: \$</i>
Please provide details of purchase and attach all supporting documentation (receipts etc.)	
I attest that I have incurred the expense/s above and I am seeking reimbursement from SWAS.	
<i>Signature:</i>	

Approval for Reimbursement

<i>Name:</i>	<i>Position:</i>
I approve the above purchases and certify that they have been made on behalf of SWAS.	
<i>Signature:</i>	<i>Date:</i>
<i>Name:</i>	<i>Position:</i>
I approve the above purchases and certify that they have been made on behalf of SWAS.	
<i>Signature:</i>	<i>Date:</i>

Office Use Only

<i>Sub program code/name:</i>	
<i>General ledger code/name:</i>	<i>GST Code:</i>
<i>Other notes:</i>	
<i>Processed by:</i>	<i>Date:</i>