



Maleny Neighbourhood Centre is a NFP community resource, responding to diverse local needs. We deliver emergency relief, facilitating community networks and connections. Maleny Neighbourhood Centre fosters resilient and fair communities and a just society where diversity is celebrated and participation encouraged.

17 Bicentenary Lane  
Maleny, QLD, 4552  
Phone: (07) 5499 9345  
Email: info@malenync.org.au  
Open Mon - Fri 9am - 3pm  
and booked activities anytime



*In the Heart of Maleny ...*

<b>MALENY NEIGHBOURHOOD CENTRE</b>			
<b>2023 Financial Management Policy</b>			
<b>Authorised By:</b>	Maleny Neighbourhood Centre (MNC) Assn Inc Management Committee		
<b>Responsibility for Review:</b>	Centre Coordinator and the MNC Management Committee		
<b>Policy Developed:</b>	April 2017		
<b>Last Review:</b>	18/12/2020		
<b>Approved by Management Committee:</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;"><b>Signed:</b> </td> <td style="width: 40%;"><b>Dated:</b> 23/11/2023</td> </tr> </table>	<b>Signed:</b> 	<b>Dated:</b> 23/11/2023
<b>Signed:</b> 	<b>Dated:</b> 23/11/2023		
<b>Date of Next Review:</b>	March 2026		
<b>Review Process:</b>	<p>Any decisions requiring policy changes will be recorded in the Minutes of Maleny Neighbourhood Centre Management Committee and forwarded to the Centre Coordinator for action and updating of policy documents.</p> <p>Policy changes relevant to staff and volunteers will be either emailed or discussed at staff and volunteer meetings.</p>		
<b>POLICY CONTEXT</b>			
<b>Queensland Standards for Community Services:</b>	Standard 1 (Governance and Management)		
<b>Other Standards:</b>	NA		
<b>Relevant Policies:</b>	Code of Conduct Policy Governance Compliance Policy Purchasing Policy		

<b>Relevant Organisational Forms and/or Documents:</b>	Annual Budget Audit Preparation Delegations of Authority
<b>Legislation and/or other requirements:</b>	Association and Incorporation Act, 1987 Standard Chart of Accounts Financial Accountability Act 2009 ATO requirements for (ACNC) Australian Charities and Not for Profit Commission - DGR status Service Agreement - Standard Terms Australian Accounting Standards by the <a href="#">Social &amp; community services industry pay rates   Fair Work Ombudsman</a>
<b>OVERVIEW</b>	
<b>Purpose:</b>	Maleny Neighbourhood Centre Assn. Inc. The Management Committee has an ongoing commitment to adhere to effective and efficient financial practices and policies with clear mechanisms established to provide accountability and communication in the organisation. MNC Management Committee will undertake an annual Audit to ensure funds expenditure is in accordance with all Services Agreements.
<b>Scope:</b>	The principles that support the Maleny Neighbourhood Centre Financial Management Policy, Procedure and practice are aligned to best practices and the Australian Accounting Standards. This policy will apply to all MNC financial activities and funds.
<b>POLICY AND PROCEDURES</b>	
<b>Policy:</b>	Maleny Neighbourhood Centre Assn. Inc. establishes and maintains controls over income and expenditure so that legal and accounting requirements are met. All financial documents are kept for at least 7 years. <ul style="list-style-type: none"> <li>• The Treasurer will oversee the procedures associated with revenue control. The Finance Officer, in conjunction with the Centre Coordinator, is responsible for implementing this procedure.</li> <li>• All cash and cheque income must be recorded in the Daily Cash and Cheque Reconciliation Form at reception. All receipts must contain all relevant information required by the Australian Taxation Office so that people giving donations can claim a tax deduction.</li> <li>• The Finance Officer records all revenue, including all cash and cheques, into the computerised accounting system. Each grant or area of funding is allocated a job number which allows each to be tracked separately. This process assists meaningful reporting to the management committee.</li> </ul>



	<ul style="list-style-type: none"> <li>● All recurrent and non-recurrent funding, including one off grants, must be identified.</li> <li>● The Centre Coordinator, acquits each grant in accordance with the grant specifications. These acquittals are overseen and signed off by the Centre Coordinator and the President. The Finance Officer pays invoices and supplies the General Ledger to assist in the acquittal process.</li> <li>● Documentation may be held in computerised form or printed. Computerisation is preferred, with the document linked to the transaction on the system. Documents are filed in date order.</li> </ul> <p><b>Standards of Performance</b></p> <p>Standards of performance are evidenced by:</p> <ul style="list-style-type: none"> <li>● The organisation is compliant with financial Policies, Procedures and regulatory requirements</li> <li>● The Treasurer presents complete financial reports each month</li> <li>● Financial reports are concise, accurate and delivered on time</li> <li>● Cash flow is actively managed to maintain working capital balances</li> <li>● Invoices are settled on a time</li> <li>● Disputed accounts are settled as soon as possible</li> <li>● All legal documents of value, including contracts, deeds and certificates of title, are acknowledged where appropriate, referenced, recorded and filed securely.</li> </ul>
<p><b>Procedure:</b></p>	<p>Our financial management practices involve:</p> <ul style="list-style-type: none"> <li>○ Having appropriate levels of control in place to manage our business assets</li> <li>○ Creating and maintaining sound internal control systems</li> <li>○ Maintaining and implementing a delegation schedule that includes financial delegation</li> <li>○ Employing professional, dedicated and skilled staff with appropriate qualifications to undertake the financial management function</li> <li>○ Having effective and efficient financial reporting practices in place that meets the needs of the organisation, Management Committee, funding bodies and auditors</li> <li>○ Effectively managing the organisation's finances</li> <li>○ Prioritising the prevention of fraud or mismanagement of funds</li> <li>○ Using robust financial processes</li> <li>○ Holding necessary insurances.</li> </ul> <p>Maleny Neighbourhood Centre conducts all business and financial operations as per the highest business and ethical standards</p> <p>The Management Committee discloses the use of funds and records all financial transactions as per recognised accounting standards</p>

	<p>No false or misleading entries are made in the accounting system Policies and processes in place are to ensure no conflicts of interest.</p>
<p><b>Financial Delegations</b></p>	<p><b>Responsibilities</b></p> <ul style="list-style-type: none"> <li>● The Management Committee are responsible for: <ul style="list-style-type: none"> <li>○ Approving Financial Policy and Procedures</li> <li>○ Compliance with the internal financial Policies and Procedures</li> <li>○ Compliance with legislation and other regulatory requirements</li> <li>○ Providing audited financial statements and notifications of changes, as per our regulatory obligations</li> <li>○ Approving: <ul style="list-style-type: none"> <li>▪ The annual budget</li> <li>▪ Bank reconciliation statement</li> <li>▪ Profit and loss statements</li> <li>▪ Income and expenditure</li> <li>▪ Year to date expenditure</li> <li>▪ Monthly reports against the annual budget</li> <li>▪ Finalising the end of year financial statements and audits</li> </ul> </li> </ul> </li> <li>● The Finance Officer oversees the operationalisation of the organisation's financial systems.</li> <li>● Finance Officer is responsible for: <ul style="list-style-type: none"> <li>○ Day-to-day financial management</li> <li>○ Record-keeping</li> <li>○ Income control</li> <li>○ Implementing and monitoring robust financial systems and processes</li> </ul> </li> </ul> <p>The following processes exist for financial delegation at Maleny Neighbourhood Centre:</p> <ol style="list-style-type: none"> <li>1. Signatories to sign payment authorities: <ol style="list-style-type: none"> <li>a. Two signatures are required, one of which must be the President, Secretary or Treasurer. The second signatory can be drawn from any one of three other members who have been authorised by the committee. The three additional members would be selected from the following group: <ol style="list-style-type: none"> <li>i. Finance Officer</li> <li>ii. Centre Coordinator</li> <li>iii. Treasurer</li> <li>iv. President</li> <li>v. Secretary</li> <li>vi. Other committee member if required</li> </ol> </li> </ol> </li> </ol>

2. Access to bank login for enquiry and statement purposes can be undertaken by the following positions:
  - a. Finance Officer
  - b. Centre Coordinator
  - c. President
  - d. Treasurer
3. Access to petty cash funds & money to be banked can be conducted by:
  - a. Finance Officer
  - b. Centre Coordinator
  - c. Treasurer
  - d. Other delegated workers approved by one of the above
4. Maximum expenditure by the Centre Coordinator without Management Committee approval is \$500
5. Approval to pay invoices:
  - a. Automatic for monthly accounts (must be supported by receipts)
  - b. Centre Coordinator where the amount is over \$500.00 and falls within the budget or a specific job and GL account.
  - c. Otherwise the Committee Executive
6. Treasurer to scrutinise and sign monthly reports including:
  - a. Bank Register
  - b. Bank Reconciliation Report
  - c. Balance Sheet
  - d. Profit & Loss Statement/ Monthly Operating Statement

#### **Approvals**

To enable Maleny Neighbourhood Centre Assn. Inc. full reporting and control of funds, all bank accounts held by the organisation must have prior approval of the Management Committee and may include:

1. Operational Account
2. Saving Account
3. Term Deposits
4. Paypal
5. Debit Card

Electronic banking, including login and funds transfer, can only be undertaken by the Centre Coordinator and the Finance Officer.

The Treasurer must advise the bank if there are any changes in the list of Office Bearers authorised to transact on behalf of the Maleny Neighbourhood Centre Assn. Inc. This usually happens after



	<p>an Annual General Meeting when there has been a change of Committee Members and will require new signatories to provide identification to the ban.</p>
<b>Expenditures</b>	<p>The Centre Coordinator has the delegation for expenditure up to \$500.00. Anything above this amount must be authorised by the Management Committee. However, the Centre Coordinator may approve payment of invoices over \$500.00, without further authorisation, where the expenditure falls within the budget of a specific job and GL account that has already been approved by the Management Committee. See delegations section and Delegations Register.</p>
<b>Invoicing</b>	<p>All invoices for payment of goods and services are to be allocated job and GL account numbers before payment. Payment may be actioned by the Finance Officer if the payment is within budget. If the expenditure is higher than the expenditure limit, the Centre Coordinator is required to seek approval from the Management Committee or, if urgent, the Treasurer (preferably) or the President. Invoices are then directed to the Finance Officer for payment.</p>
<b>Petty Cash</b>	<p>Petty cash is for day to day expenditure of items less than \$50.00. Float balances under \$500.00 may be authorised by the Treasurer, and otherwise approved by the Executive (for events only) or the committee. The Finance Officer is responsible for issuing petty cash for all receipted claims and for balancing and reimbursing the float.</p> <p>A receipt must be provided before any money can be paid from petty cash. In the event no receipt of purchase can be provided, the claim is submitted for approval to the Centre Coordinator. If approved, a declaration should be completed and signed by the person claiming the expenses.</p> <p>When the balance of petty cash reaches a predetermined low level, the Finance Officer will reconcile the petty cash, ensuring that all receipts and vouchers are accounted for, and replace funds by a signed withdrawal form. All amounts are recorded in the financial accounting System.</p>
<b>Debit Card</b>	<p>A Corporate Debit Card is to be used for expenses where a staff member is required to pay for items at the shops. The limit in the Corporate Debit Card account will be no greater than \$5000.00 at any time. The Finance Officer will be responsible for electronically transferring funds into the account. A monthly reconciliation will be carried out by the Finance Officer with the aid of supporting</p>

	<p>documentation provided by the card user. The Treasurer will review and sign off the reconciliation of the account. Any amounts over \$100.00 need to be authorised by the Centre Coordinator who is responsible for the debit card and ensuring it is kept in a safe place.</p>
<p><b>Reporting</b></p>	<p>Monthly reports are produced by the Finance Officer in computerised formats, and are available to the Treasurer for consideration, prior to monthly Management Committee Meetings.</p> <p>These reports include:</p> <ul style="list-style-type: none"> <li>● Bank Account Reconciliations which include the following: <ul style="list-style-type: none"> <li>●</li> <li>● Bank Balance Reports: this report is checked against bank statements for each account and gives a correct bank balance as at the end of the month. All cleared cheques and deposits are shown on the bank statement, and the Reconciliation lists all unpresented cheques.</li> <li>● Cash Disbursement Journal/Cash Receipts Journal: These reports list all transactions posted/entered onto the computerised accounting system (MYOB).</li> <li>● Job Profit and Loss Report: Which is included in the Operating Budget below. It will show a profit or loss figure relevant to each program area or job/cost centre.</li> <li>● Operating Budget: Year to date income and expenditure includes a budget variance identifying whether items are over or under budget.</li> </ul> </li> </ul> <p>Any concerns that the Treasurer might have, will be raised with the Finance Officer and Centre Coordinator prior to the Committee Meeting.</p> <p>All monthly reports are produced in hard copy and filed in the Administration office, and are available for perusal by the Treasurer on request.</p> <p>Copies of the Operating Statement are forwarded to the Management Committee for ratification at the monthly Management Committee meeting.</p>
<p><b>Budget Management</b></p>	<p>When managing funds, we:</p> <ul style="list-style-type: none"> <li>● Forecast the income and expenditure expected</li> <li>● Assess the short and long term affects this can have on our financial position.</li> <li>● Set an annual budget each July</li> </ul> <p>The annual budget is approved by the Treasurer within 4 weeks of drafting the budget. The budget is monitored by the Financial Officer</p>



	on a monthly basis. The Finance Officer provides the Operating Report to the Management Committee.
<b>Payroll, Tax and Superannuation</b>	<p><b>Payroll</b></p> <ul style="list-style-type: none"> <li>● It is the responsibility of staff to: <ul style="list-style-type: none"> <li>○ Finalise fortnightly timesheets for processing by Wednesday morning of payday.</li> <li>○ Payroll to be processed by the Finance Officer by Wednesday. It is the responsibility of contractors to: <ul style="list-style-type: none"> <li>○ Supply itemised invoices on completion of job or periodically in line with terms of contract. Invoices to outline terms of payment.</li> <li>○ Finance Officer to enter invoices for payment in line with payment terms.</li> <li>○</li> </ul> </li> </ul> </li> <li>● It is the responsibility of management to: <ul style="list-style-type: none"> <li>○ Payment of payroll and invoices to be authorised by 2 signatories on request of the Finance Officer.</li> </ul> </li> </ul> <p><b>Tax and superannuation</b></p> <ul style="list-style-type: none"> <li>● <b>To be processed and paid in line with ATO rules and regulations.</b></li> </ul>
<b>Asset Management</b>	<ul style="list-style-type: none"> <li>● We responsibly manage the organisation's existing and new assets</li> <li>● The Delegations Register outlines the responsibilities for the purchase of new equipment or other assets</li> <li>● The process for purchasing equipment and other assets follows the Purchasing Policy</li> <li>● Assets are documented in an Asset Register at the time of purchase and details of assets updated as required</li> <li>● All assets are insured to the value of their replacement against fire, theft, burglary and accidental damage.</li> <li>● All significant assets are regularly checked for repairs or replacements</li> <li>● A maintenance register is maintained</li> <li>● When an asset is sold or disposed of, details are recorded in the asset register</li> <li>● Where an asset is not owned by the organisation, evidence of ownership of premises, lease agreements and letters from owners confirming their awareness of the use of their property as a care service <ul style="list-style-type: none"> <li>○ Maintained by Administration Officer</li> <li>○ Located in the Asset Register</li> <li>○ Reviewed Annually</li> </ul> </li> </ul>
<b>Fraud and Corruption</b>	<b>Fraud and corruption control</b>



	<ul style="list-style-type: none"> <li>● Maleny Neighbourhood Centre is committed to accountable and transparent governance, including minimising the likelihood of fraud and corruption</li> <li>● Fraud and corruption control planning is managed by the Centre Coordinator</li> <li>● The process of reporting suspicions of fraud or corruption is: <ul style="list-style-type: none"> <li>○ Register fraud and corruption as an incident</li> <li>○ Undertake preliminary investigation</li> <li>○ If preliminary investigation provides enough evidence, a full investigation occurs</li> <li>○ Report incident to the Management Committee</li> </ul> </li> </ul> <p><b>Fraud and Corruption Risk Assessment</b></p> <ul style="list-style-type: none"> <li>● Fraud and corruption risk assessments are conducted by Centre Coordinator and reviewed annually, as per the Australian Standard on Risk Management (AS/NZS 4360)</li> <li>● To mitigate risks associated with fraud and corruption we: <ul style="list-style-type: none"> <li>○ Restrict access to electronic systems</li> <li>○ Regularly monitor financial transaction records</li> <li>○ Monitor and manage the quality of supplied products and services</li> <li>○ Provide education and training</li> <li>○ Follow a code of ethical practice</li> <li>○ Undertake Internal audits</li> <li>○ Have insurance for theft of organisational property</li> <li>○ Complete pre-employment screening of all new employees (e.g., Police checks).</li> </ul> </li> <li>● When a fraud and corruption risk is identified, it is considered in terms of: <ul style="list-style-type: none"> <li>○ The inherent nature of the risk to the specific activity</li> <li>○ The internal controls established to mitigate that risk.</li> </ul> </li> <li>● Fraud and corruption control is monitored by: <ul style="list-style-type: none"> <li>○ Sound risk management, planning, monitoring and remedial action to minimise the likelihood of fraud and corruption</li> <li>○ Mitigation strategies that require an organisation-wide commitment to ethical conduct and standards practice.</li> <li>○ Supporting all staff and volunteers to understand and control fraud and corruption through training, information and Policy</li> <li>○ Reporting suspicions or knowledge of fraud and corruption to Centre Coordinator</li> </ul> </li> </ul>
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