



## FINANCE POLICY

The purpose of this document is to outline the financial policies that underpin all the activities delivered by the Manawatu Badminton Association (MBA), including the responsibility on staff and delegated authorities relating to operational finances and handling cash/payments.

### Policy Statement

MBA's affairs should be managed in a prudent and strategic basis to ensure financial sustainability. The Executive Manager is responsible for the day-to-day financial management of the MBA and shall carry out this duty in a manner which shall in no way threaten MBA's financial strength.

### Policy Objectives

#### *Financial Management*

- The Executive Manager shall not threaten the financial strength or sustainability of the MBA. Accordingly, they shall not:
  - Utilise any MBA funds for purposes other than the authorised purpose, or as approved by the Board.
  - Operate within a financial environment that is not broadly defined by an approved budget, or a budget not supported by MBA policies.
  - Approve expenditure beyond the MBA's ability and resources to meet.
  - Cause the MBA to incur any indebtedness other than the regular accounts payable incurred as part of approved MBA financial procedures.
  - Settle payroll debts in anything other than a timely manner.
  - Allow one person alone to have complete authority over any of the MBA's financial transactions (see Delegated Authorities).

#### *Delegated Authorities*

- Delegated authorities are put in place to enable the MBA to function efficiently and empower the person(s) to carry out the responsibilities required to complete a task.
- Delegated authorities not only cover expenditure but any financial decisions within the MBA.
- As Delegator, the Board:
  - Retains full control over the appointment of all delegated authorities.

- Must document the appointment of all delegated authorities, including any specific elements such as particular tasks or duration of authority. This excludes the Treasurer, who assumes delegated authority status as part of the role.
- Must ensure that the delegate is suitably qualified to exercise the authority.
- Delegated authorities:
  - Remain accountable to the Delegator to ensure satisfactory performance of relevant tasks.
  - Shall have full regard for the MBA financial policies and procedures, and where appropriate obtain financial advice to exercise the authority.
  - Must adhere to any prescribed limits for their intended use, including duration of authority.
  - May have their authority revoked at any time, by the Delegator.
  - May not authorise their personal expenditure.

### *Budgeting*

- For MBA to fulfil strategic objectives, resources will need to be applied to ongoing and planned operational activities. This will take the form of an annual budget, reflecting associated costs and revenues for activities planned in the following financial year.
- An annual budget for the MBA is to be presented to the Board and approved at least one-month prior to the start of the financial year to which it pertains.
- The annual budget shall:
  - Align with MBA strategies and priorities, as previously identified by the Board.
  - Be presented in such a way to make it easy to interpret and follow.
  - Include a breakdown of projected:
    - revenues sources;
    - expenditure types;
    - timing of revenue and expenditure in months.
  - Incorporate input from all relevant MBA staff.
  - Contain sufficient detail for the Board to understand on what assumptions or basis MBA's revenues and expenditures have been budgeted.

### *Financial Reporting*

- In order for the Board to make informed and meaningful decisions, the financial reporting presented to the Board must be:
  - Presented by the Treasurer or Executive Manager.
  - In a format that all Board members are able to understand.
  - Presented on a monthly basis or at each Board meeting, if such meetings occur with less frequency.
  - A complete, true and accurate account of the financial affairs of the MBA.
  - Easily allow comparison between actual and budget.
  - Comment on trends and variances.

### *Internal Accountability & Financial Review*

- The MBA will operate with internal controls and accountability by all members of staff in order to:

- Protect the assets of the MBA.
- Ensure maintenance of records of MBA's financial activities.
- Provide a framework of operating standards and behaviour expectations.
- Ensure compliance with all legal and reporting requirements.
- Provide reasonable assurance that any errors and irregularities are quickly discovered.
- The MBA will also be subject to external financial review in order to provide comfort around the financial statements and procedures utilised by the MBA's stakeholders.
  - In accordance with the MBA Constitution, the annual report on financial position and performance will be audited prior to submission to the AGM.
- The Executive Manager will:
  - Ensure sufficient separation of duties and controls are put in place.
  - Implement robust and financial procedures that safeguards internal accountability and controls.
  - Investigate significant negative variations from the budget and report to the Board.
  - Ensure all staff and delegated authorities are aware and comply with all legislation and policies relevant to their roles.
  - Comply with reasonable requests for information from the MBA's auditor and/or reviewer in a timely manner.
  - Review the MBA Finance Policy on a biennial basis.
  - Ensure procedures are in place to record in Xero the spending of funding and the associated invoices that are required for funding returns to be done on a timely and efficient basis.

### *Payroll*

- As a responsible employer, the MBA will pay all employees and contractors accurately and on time.
- The MBA will also comply with all legislative requirements, employer responsibilities and relevant tax and financial obligations in being an employer.
- All of the MBA's payroll obligation will be met in accordance with the following:
  - MBA will pay employees in accordance with the terms and conditions of employment.
  - MBA will maintain a separate wage and salary record for all staff, including holidays entitled to / taken, and sick days entitled to / taken, with records kept and updated by the Treasurer.
  - All non-electronic employee payroll information will be kept in a locked facility to ensure security of that information.
  - All payroll related payments will be made by direct debit. Manual payments can be made in very special circumstances within the scope of MBA's Delegated Authorities.
  - All staff will be provided with payslips.
  - All changes in remuneration (including bonuses) are appropriately reviewed and authorised by the Board.
  - Any payment to an employee in excess of their Employee Agreement entitlements is required to be authorised by the Board.
  - Advances on wages / salaries to staff will not be paid.

- All deductions from Gross Pay are to be made and forwarded to Inland Revenue on time.
- The KiwiSaver Act 2006 will be fully complied with. All requests from staff are to be promptly processed.

#### *Petty Cash & Expense Claims*

- The MBA will keep a small petty cash float for use where it is inappropriate to use MBA's accounts payable procedure.
- Petty cash expenditure will:
  - Be the responsibility of the Delegated Authority for the specific purposes outlined by the Delegator (Board).
  - Be recorded in an accurate and prompt manner.
  - Where necessary, be supported by a receipt or tax invoice.
  - Not be used for any advances, traffic fines, reimbursement of gifts or personal loans or expenses.
  - Be reviewed by the Executive Manager.
- Where staff incur expenditure personally on behalf of the MBA, the MBA will endeavour to reimburse staff for authorised expenditure where:
  - Staff have incurred those expenses in accordance with the MBA's Delegated Authorities.
  - Expenditure is supported by a receipt / tax invoice and evidence of payment.
  - An accurate expense claim form is completed, approved by the Executive Manager and forwarded to the Treasurer for payment.

#### *Bank Accounts*

- The MBA will ensure its bank accounts are operated in a manner that ensures controls are in place over cash funds and the authorisation of any banking transactions.
- The MBA's bank accounts will be operated in accordance with the following:
  - New bank accounts can only be opened following approval from the Board.
  - Any amendments to bank credit limits and / or overnight clearing facilities may only be authorised following approval from the Board.
  - Signatories for the bank accounts must be approved by the Board.
  - Two signatories are required to authorise any payments from the MBA's bank accounts, including both electronic and manual payments.
  - The MBA is permitted to pay recurring invoices and payments by either direct debit or automatic payment. These authorities are to be authorised by two signatories.
  - No 'blank' cheques are to be signed or issued under any circumstances.
  - All cheques issued are to be crossed 'not transferable'.
  - Payments in the form of cash cheques are to be avoided, with the exception of petty cash payments.
  - All cheques for funds that MBA receives must be crossed 'not transferable' and banked to a MBA bank account.
  - Any cheques which remain outstanding for a period greater than 6 months should be reviewed and written back where necessary.
  - All banking must be done in a timely manner, upon receipt of funds.

- MBA will maintain a minimum cash reserve, which shall be dictated by the Board at all times.
- MBA's banks terms and conditions must be adhered to at all times.
- No EFTPOS cards are to be issued or linked to any of the MBA's bank accounts.

#### *Credit Cards*

- MBA may provide authorised staff members with a credit card if it is determined that a need exists.
- Authorised staff are responsible for the credit card issued to them and shall only utilise the facility in accordance with this policy.
- The MBA Board will:
  - Authorise the credit card limit of the Executive Manager and all other staff, where necessary.
  - Dictate policy in regard to any credit card reward schemes.
- The MBA's Treasurer will:
  - Implement procedures for reviewing and approving the expenditure on credit cards, prior to the direct debit payment occurring.
  - Implement procedures for checking the balances and use of the credit cards.
  - Implement the procedures for ensuring that credit cards are paid on time and that the correct balance is paid.
  - Ensure that the credit card expenditure is correctly accounted for and disclosed in financial reports.
  - Maintain a register of the holders of MBA credit cards.
- Authorised staff shall use credit cards in a responsible manner and are required to:
  - Only use the credit card for MBA related expenses. No expenditure of a personal nature is permitted.
  - Be aware that transactions incurred on the credit card are subject to audit and / or checking at any time and provide information and explanations of credit card use promptly.
  - Retain all receipts and tax invoices for goods and services charged on the MBA credit card.
  - Not use the credit card to obtain cash drawdowns or advances.
  - Not attempt to alter the limit on their credit card without approval of the MBA Board.
  - Ensure expenditure is within their delegated authority.
  - Ensure the expenditure is within existing budgets.
  - Surrender the credit card on request of the card issuer, MBA Executive Manager MBA Board or upon leaving the MBA.
  - Acknowledge and adhere to all card issuer terms and conditions.