

Financial Policies and Procedures

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Contact person:	Finance Manager

Accounting Policy

A1 Basis of Preparation of Financial Statements

The financial statements of Flinders Campus Community Services (FCCS) are drawn up as a special purpose report for distribution to the members and for the purpose of fulfilling the requirements of the FCCS Rules and the Associations Incorporation Act (SA). As members and others are able to obtain tailored reports, FCCS is not limited to reporting entity status.

The statements are prepared in accordance with the requirements of the following applicable Accounting Standards and other mandatory professional reporting requirements:

- AASB 1002 Events Occurring after Balance Date
- AASB 1018 Profit & Loss Accounts
- AASB 1021 Depreciation of Non-Current Assets
- AASB 1025 Application of the reporting entity concept and other amendments
- AASB 1031 Materiality

The financial statements are prepared on the basis of historical costs and do not take into account changing money values, or except where specifically stated, current valuation of non-current assets.

A2 Depreciation – Building Improvements

Expenditure on building improvements and modifications is fully amortised in the year when the expenditure is incurred as the land on which the “Union Building” stands is unalienated Crown land dedicated as a Reserve for University purposes. FCCS has an indeterminate right of occupancy of the premises.

A3 Depreciation – Other Non Current Assets

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use

A4 Inventories

Inventories are measured at the lower end of cost and net realisable value.

A5 Employee Benefits

A5.1 Long Service Leave

The provision for long service leave relates to the accrued liability for employees based on an assessment of liabilities which reasonable might be expected to eventuate. Therefore long service leave is accrued for all employees with greater than five years service with FCCS .

A5.2 Annual Leave

The provision has been established to cover annual leave outstanding as at balance date.

A5.3 Sick Leave

The provision for sick leave is capped at \$70,000 (in 2006 terms). This level is increased by the percentage increase of any future pay increments awarded in enterprise agreements.

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The cap on the sick leave provision account does not limit FCCS's liability to its employees' sick leave entitlements.

A5.4 Leave Costs

The cost of long service leave, annual leave and sick leave taken during the year is reflected in the financial statements.

A5.5 Superannuation

FCCS makes contributions to employee superannuation funds which are charged as expenses when incurred. FCCS has no legal obligation to provide benefits to employees on retirement.

A6 Insurance

Insurance cover is effected over all usual commercial risks.

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Budget Formulation

B1 Principle

FCCS will prepare an annual recurrent budget of income and expenditure which will be approved by the FCCS Board on advice from the Audit and Finance Committee. The original budget may be amended in the budget year by approval of the Board on advice from the Audit and Finance Committee. The amended budget will be known as the 'revised budget', against which actual results will be measured and reported to the Board via the Audit and Finance Committee.

B2 Income

The FCCS recurrent budget is funded from the following sources:

- Food & Beverage Income
- Retail Income
- Sport & Fitness Income
- Employment Service Income
- Rental & Investment Income
- Sponsorship/advertising Income
- University Grants

B3 Expenditure

The available income will be appropriated as follows:

- Student Services including Employment Service, Student Support & Childcare.
- Sport & Fitness
- Food & Beverage Expenditure
- Retail Expenditure
- Support Services including General Administration, Building Services, Marketing & Human Resources
- Asset Purchases
- Property Improvements

B4 Procedure

A recurrent income and expenditure budget will be drafted for each area by the appropriate Manager. The following will be taken into account:

- Changes in trading area contributions based on previous trading area results and estimates of the following year's trading pattern
- Salaries, which shall be calculated on actual hours to be worked and hourly rates. Allowance will be made for years of service and enterprise agreement increments.

Managers must attach a separate request list for assets and property improvements to the recurrent income and expenditure budget.

The Finance Manager will then consolidate the budget and prepare notes and graphs ready for presentation to a meeting of the Audit and Finance Committee meeting in November, prior to the November Board meeting.

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B5 Annual Budget Timetable

July	Board develops strategic budget priorities for the following year.
September / October	Managers prepare draft budget. Finance Manager prepares final consolidated budget.
November	Budget presented to the FCCS Audit and Finance Committee.
November	Business Plan and Budget presented to FCCS Board.
December	Business Plan and Budget as approved by FCCS Board sent to Resources Committee

B6 Budget Revision

The original budget may be amended once during the year by Board approval.

The review will be known as the Mid-year Review. Budget adjustments for amounts less than \$500 are discouraged.

The mid-year review will be undertaken in June of the budget year.

This review is used to eliminate any significant actual to budget variances that have occurred during January to May. It allows for the adjustment of any income or expenditure items during the budget year.

B7 Administration and Building Services Charges

B7.1 Building

Building Administration costs which relate directly to the utilisation of the buildings by other areas are recovered from those areas via the Administration Charge – Building.

Those costs include:

- Contract Cleaning Costs
- Cleaning Materials
- Waste Disposal

The annual cost for area will be calculated using the following formula, which is based on the square metre space occupied by the area and pro-rata-ed by the number of weeks the area operates.

$$\frac{\text{Total Building Costs to be recovered}}{\text{Union Total Square Metres Occupied}} \times \frac{\text{Area's Total Square Metres Occupied}}{52 \text{ Weeks}} \times \text{Number of Weeks open per annum}$$

For the purposes of the Audited financial statements these charges will remain as set in the June budget.

B7.2 Administration Charge - Admin

Administration expenses which relate to the operation of other areas are recovered from those areas via the Administration Charge – Admin. Those costs include:

- The wages and on-costs for the Accounts Payable/Accounts Receivable Clerk, Cashier, Payroll Officer, Human Resources Officer and Finance Manager
- Banking Costs
- Fax & Telephone

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- Postage
- Printing & Stationery
- Computer Maintenance
- Staff Training

The cost for each area will be calculated based on the Annual Budget using the following formula:

$$\frac{\text{Total Administration Costs To be recovered}}{\text{FCCS Total Wages And Costs}} \times \text{Area's Total Wages and Costs and other Direct Expenses}$$

For the purposes of the Audited financial statements these charges will remain as set in the June budget.

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Reporting

C1 Monthly Reports to Managers

To assist Managers in the financial management of their areas the Finance Manager prepares internal management reports at the end of each month. The reports include actual and budgeted income and expenditure data for the month and year to date. The last day of each accounting period is the last day of the month.

C2 Reports to Audit and Finance Committee

The Finance Manager prepares for the FCCS Audit and Finance Committee monthly reports which provide income and expenditure data, and information on budget commitments, forecasts and relevant statistical data.

The package of reports, includes:

- Income and Expenditure Statements
- Balance Sheet
- Analysis of the Income and Expenditure Statements
- Requests for Capital expenditure

The reports will contain information on cumulative year to date activity, together with a high level forecast of the outcome for the current financial year.

C3 Annual Financial Statements

FCCS is required to produce financial statements comprising:

- Income and Expenditure Statement
- Balance Sheet
- Statement of Cashflows
- Notes to and forming part of the financial Statement
- Auditor's Statement
- FCCS Board Statement

The financial statements are prepared on an accrual basis and on the basis of historical costs, except where stated. The financial statements do not reflect changing money values.

FCCS prepares annual financial statements for each twelve month period ending 31 December. The FCCS Auditor audits the financial statements each year. The Audited Financial Statements are presented for approval to the FCCS Board in April. The audited financial statements are then presented for approval by the member(s) prior to the end of May.

The Audited Financial Statements must be sent to the Office of Consumer & Business Affairs by 30 June.

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Income

FCCS receives funding from two main sources:

- University Grants
- Trading Area profits

The finite source of funding makes it essential that resources are used efficiently and effectively. Responsibility for control of funds rests with staff authorised under the FCCS financial delegations policy, and all staff in FCCS can contribute to ensure that optimum use is made of funds.

D1 Income – Receipts, Money on Hand. Custody

FCCS maintains a record of all income received. Money is held in a secure area until it is banked. Banking is carried out twice weekly during semester and once a week during breaks. The money is delivered to the bank by an armed escort service.

All funds received are identified and credited to the appropriate general ledger income account. Trading revenue is reconciled every day to cash register records.

Cash not yet banked must be stored in a safe. All safes must be kept locked at all times.

D2 Debtor Management and Bad Debt Write Offs

FCCS will use all practical means to recover outstanding amounts due to FCCS. Customers with outstanding debts of more than 90 days will not be entitled to use FCCS services. Some debts will be referred to the FCCS debt collection agency, and if it is commercially viable, legal action will be taken to recover the amounts outstanding. Debts will be written off only when all reasonable attempts at recovery have been taken.

D2.1 Invoices

FCCS will provide seven-day accounts to its customers. Generally this is limited to the University and businesses utilising the FCCS Student Employment Service and Catering Service. Individuals utilising FCCS catering and function facilities will generally be expected to pay on the date of the event. Managers can approve a credit limit of up to \$5,000 for an external business provided they obtain the following details in advance:

- Debtor's Name
- Debtor's Address
- Australian Business Number
- Contact Name and Position
- Contact phone, Fax and Email Address

These details must be provided to the Accounts Receivable Clerk on the Credit Reference and Trading Terms Agreement form (see Sample Forms).

The General Manager may approve credit limits of \$5,000 and over after the completion of satisfactory credit worthiness check.

D2.2 Debt Recovery

The Accounts Payable Clerk issues an invoice when notified by that amount is due and payable to FCCS.

If the amount remains unpaid at the end of the accounting month a statement will be issued.

For amounts outstanding 30 days or longer the debtor will be contacted by phone.

For amounts outstanding 60 days or more the Accounts Payable Clerk will send a Debt Collection Agency letter and the Finance Manager advised and the provision of services to the debtor will cease.

Amounts outstanding 90 days or more will be referred to the Finance Manager for action.

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Amounts outstanding 120 days will be referred back to the appropriate Manager requesting instructions on whether legal action should be taken or the amount submitted for write off.

Any costs involved in the recovery of an outstanding debt will be charged back to the debtor.

D2.3 Bad Debt Write Offs

The General Manager may approve the write-off of amounts up to \$2000. Amounts of \$2000 and more will be referred to the Board (via the Audit and Finance Committee).

Debts may be written off in the following circumstances:

- Where the debtor has moved address and cannot be located
- When the medical, financial or domestic circumstances of a particular debtor do not warrant further action
- Where the debtor is bankrupt, in receivership or in liquidation. Further action may be taken if funds subsequently become available.
- Where legal proceedings have proved, or on legal advice, would prove unsuccessful.
- Where it is not cost effective to pursue the debt.

FCCS will not provide services to a defaulting debtor.

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Bank Reconciliation

The purpose of the bank reconciliation is to ensure that only bona fide transactions are recorded in the FCCS account with the bank. This is achieved by comparing the balance recorded in the bank statement with that of the bank account in the FCCS financial system. Bank accounts held by FCCS are reconciled every week.

Bank Statements are received daily and the cash flow monitored by the Finance Manager

The Cash Clerk will compare the banking records to the credits recorded in the FCCS financial system. Credit amounts not banked by the Cash Clerk will be identified and the appropriate accounts staff member advised so the transaction can be receipted.

The Accounts Payable Clerk reconciles the bank account once a week up to the Sunday of the previous week and produces a schedule of unpresented cheques and deposits.

Stale cheques are written off at the end of each financial year and the funds returned to the account from which the cheques were expensed.

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Purchasing

Purchasing is a decentralised function at FCCS and accordingly a wide range of staff may find themselves involved in the purchasing process.

F1 Purchasing Policy

F1.1 General

FCCS will conduct purchasing with the aim of achieving 'value for money' whilst using 'fair trading' practices.

F1.1.1 'Value for money' describes purchases that have the best compromise between a variety of attributes which include but are not limited to:

- Fitness for purpose
- Whole of life costs
- Fair market price
- Timely delivery
- Post delivery support
- Effective warranty
- Conformity to law including Occupational Health and Safety
- Time taken to make the purchase
- Environmental protection

F1.1.2 'Fair Trading' means that there is open and effective competition and that purchasing is undertaken with integrity and fair dealing.

F1.2 Risk Management

Managing risk is fundamental to good purchasing and contracting. Staff involved in procurement decision making are expected to include identifying, analysing, evaluating, treating and monitoring risks as part of the procurement process in accordance with the FCCS Risk Management Policy.

F1.3 Conflict of Interest

Staff must ensure that they are not, or are not perceived to be, in a conflict of interest with any supplier. Those staff who have, or may be perceived to have, a vested interest in the outcome of the purchase must disclose any conflict to their supervisor and discuss whether they should exclude themselves from any role in the purchase.

F1.4 Segregation of Duties

FCCS adopts system controls to minimise risk as follows;

- Staff with responsibility to create purchase orders will not have the access to create vendors or to process invoices.
- Staff with responsibility to create vendors and/or process invoices will not have the access to create purchase orders.

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F2 Purchasing Procedures

F2.1 Acquisition Planning

Procurement is no different to other management functions and planning is essential to ensure the best outcome. The manager responsible for initialising a requirement to purchase a service or goods >\$10,000 shall prepare an acquisition plan for approval by the delegated officer or committee responsible for authorising the expenditure. Submission of an acquisition plan for purchases <\$10,000 shall be at the discretion of the General Manager.

The Acquisition plan shall address the following elements –

1. Consultation process related to acquisition.
2. Reason for acquisition.
3. Supply market research.
4. Business case for acquisition.
5. Risk assessment.
6. Development procedure for specification of the acquisition.
7. For of contract to be used.
8. Process for seeking quotes or tenders.
9. Management process for contract.

There is a variety of processes which may be adopted for acquisition of goods and services as indicated in the table below;

Process for acquisition

Method of Purchase/payment	Intended for purchase of
Petty cash	Sundry items to the value of \$50.00
Credit cards	<ul style="list-style-type: none">• Consumable items normally in the range of \$50.00 - \$2,000• Travel and accommodation charges• Subscriptions
Purchase orders	Acquisition of: <ul style="list-style-type: none">• Expensive consumables• Assets• Goods and services where a long lead time is anticipated• Items >\$2000 where credit card is not used• Inventory stocks
Contracts	<ul style="list-style-type: none">• Acquisition of major assets• Agreement for construction of assets, buildings, equipment (or FCCS contracts for buildings are in conjunction with the University)• Service agreements• Maintenance agreements• Significant consulting agreements

The process chosen will be appropriate to the nature and value of the goods and services required. Staff are encouraged to use the process which (for them) is the most efficient and effective whilst being the most appropriate within the framework of these guidelines.

Expenditure authorisation must be in accordance with FCCS Financial Delegations.

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FCCS is able to make purchases under Commonwealth and South Australian State Government supply contracts as well as common use contracts arranged by the University e.g. stationery.

These procedures apply to both internal and external transactions.

F2.2 Selecting a Supplier

The process of selecting a supplier must ensure that 'value for money' is obtained and 'fair trading' is observed. A number of options exist and the process to be used will depend upon the nature and the value of the items to be purchased.

Any conflict of interest must be declared when selecting a supplier as per F1.1.3

Value thresholds used in this section relate to the total estimated cost of a purchase and not to individual line items.

Splitting of requisitions or purchase orders is not permitted.

It is recognised that there will be occasions where there are insufficient suppliers to meet the purchase requirements. In such cases this should be recorded and quotations should be obtained from the available suppliers.

If purchasing under a common use contract or a Government Contract, where the price is considered acceptable, no further offer is required.

The selected methods of supplier selection are:

Value	Alternatives
<\$1,000	Single oral or written quote
\$1,000 to <\$5,000	Two oral or written quotes
\$5,000 to <\$10,000	Two written quotes
\$10,000 to <\$100,000	Three written quotes
>\$100,000	Tender or RFP unless otherwise exempted

Method	Alternatives	Considerations
Request for Proposal (RFP)	open request	used where suppliers are not generally known and where there is a need to test the market thoroughly
	Selective request	used where there is a known set of suppliers likely to be able to satisfy requirements
Tender	open tender	used where market is not known and value exceeds \$100,000
	selective tender	used where market is known and where there is a set of preferred suppliers of the goods or services and value exceeds \$100,000

The Request for Proposal and Tender processes are more complex processes used where the value of the acquisition is large and where there may be considerable details involved in the specification of the goods and/or services required. Both require detailed specifications to be drawn up before proceeding.

The Tender process shall be carried out in accordance with the requirements of the FCCS Board. An open RFP may be used as a means of short-listing prior to a closed Tender.

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F3 Tender for Goods & Services

When FCCS invites tenders to be called it shall follow the University's Tender for Goods and Services process.

F4 Purchasing Credit Card Policy

F4.1 General

Credit cards are intended for the purchase of consumables and services on behalf of FCCS up to \$2,000. All purchases will be in accordance with the FCCS Financial Delegations Policy.

Misuse of a credit card and breaches of these procedures may result in forfeiture of the card and disciplinary actions including termination of employment and commencement of legal proceedings.

F4.2 Credit Limit

Individual transaction limits and the monthly credit limit will vary between cardholders and will be authorised by the General Manager. The transaction limits will not be exceeded.

F4.3 Issue of Cards

A credit card will be issued after the General Manager (or in the case of a credit card for the General Manager, the Chair of the FCCS Board) has given approval. The Finance Manager will ensure the documentation is lodged with the bank. The Finance Manager will maintain a register of all credit cards.

The cardholder will be required to sign a Cardholder Agreement form. Each person issued with a credit card will be personally responsible for the security, confidentiality and observance of conditions for the use of the card. The cardholder will return the credit card to the Finance Manager for cancellation on ceasing employment with FCCS.

F4.4 Loss of Card

On loss of a card the cardholder will immediately notify:

- BankSA
- The Finance Manager
- Their supervisor

F4.5 Cancellation of Card

When a cardholder ceases employment with FCCS he/she will return the credit card to the Finance Manager as soon as practicable, and no later than the last day of employment. The Finance Manager will cancel the credit card.

F4.6 Restrictions of Use

The credit card will not be used for:

- Provision of cash, either by teller machine or over the counter
- Personal or private purchases
- Purchase of assets greater than \$1,000
- Purchase of mobile phones and accessories (to be purchased on a University contract).

F4.7 Operation

When a purchase is made the cardholder will obtain a credit card voucher or a combined cash register docket. If the purchase is by phone the cardholder will request a receipt be sent to them. The cardholder will ensure that a Tax Invoice is received for all purchases of \$50.

The cardholder will ensure that the FCCS Financial Delegations policy is followed when using the card.

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If the card is used in relation to travel the cardholder will follow the accommodation and meal limits set in the policy. If these limits are exceeded the cardholder will be expected to repay the amount overspent.

The cardholder will retain all credit card vouchers and tax invoices until their monthly credit card statement is received. The cardholder will then reconcile the statement by:

- Matching the vouchers and invoices with the statement
- Code the expenditure
- Have the statement authorised by their supervisor
- Return the statement to the Accounts Payable Clerk for processing by the due date.

If the cardholder is on leave it is their responsibility to have made arrangements for another staff member to process their monthly credit card statement.

F4.8 Telephone, Mail and Internet Orders

If the purchase is by phone, mail or internet the cardholder will request a receipt be sent to them. The cardholder will ensure that a Tax Invoice is received for all purchases.

When making such purchases, particularly over the internet, the cardholder will only provide their credit card details to reputable and reliable organisations.

If a receipt is not obtained prior to the monthly credit card statement due date the cardholder will provide written information about the transaction with their reconciliation. If a tax invoice is not obtained the area will be charged the GST on the transaction.

F4.9 Returning Goods for Credit

When goods are returned to a merchant, the cardholder who purchased the goods will return the goods so that the credit transaction and the original charge appear on the same account.

The cardholder will obtain a credit slip for reconciliation and cost allocation purposes.

F4.10 Accounts Payable Payment Procedures

The Bank will direct debit the FCCS bank account. This will be recorded in a general ledger clearing account.

The Accounts Payable Clerk will ensure all Monthly Credit Card statements are received from the Bank. A copy of each cardholder's statement will be forwarded promptly to them for reconciliation purposes. The Accounts Payable Clerk will keep a copy of the statement.

When the statement is returned from the cardholder, the Accounts Payable Clerk will check the following:

- There is a sales voucher and tax invoice for each transaction or written detail of the transaction.
- The values agree
- There are adequate descriptions of the purchases
- The credit limit has not been exceeded
- The amount debited by the Bank agrees to the Statement
- The account has been approved by the supervisor

The Accounts Payable Clerk will then transfer the balance in the clearing account to the appropriate expenditure accounts.

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F5 Credit Card Agreement and Acknowledgment Form

CARDHOLDER: _____
(Full Name)

CARDNUMBER: _____

POSITION TITLE: _____

I understand and agree that:

1. I will not use the Flinders Campus Community Services BankSA Business Visa Credit Card, nor permit it to be used, for anything other than official FCCS business. -----
2. I understand that misuse will result in disciplinary action that could result in termination of employment and legal proceedings. -----
3. I will limit the use of the card to \$_____ in any one transaction and \$_____ aggregate per month. -----
4. I am required at all times to ensure that the card is kept in a safe place. -----
5. I understand that I will be personally liable for all purchases improperly made using the card whilst it is in my possession. -----
6. If the card is lost or stolen I will report it IMMEDIATELY to BankSA, my Supervisor and the Finance Manager. -----
7. I undertake not to use the FCCS Business Visa Credit Card for the following:
 - Cash transactions
 - Personal or private purchases
 - Purchase of assets greater than \$1,000
 - Purchase of mobile phones and/or accessories-----
8. If I leave the employ of FCCS for any reason I will return the card to the Finance Manager for cancellation as soon as practical and no later than the last day of employment. -----
9. I will ensure that I receive a tax invoice for all purchases. -----
10. I will ensure that I return the Cardholder's Monthly Statement and associated documentation by the due date. -----
11. The credit card will be cancelled if the monthly reconciliation on any credit card is still outstanding after 60 days. -----

I acknowledge that I have read and understood the conditions set out above which govern the issue and use of a business credit card and will follow the administrative requirements for use of the card. I hereby declare that I received the Business Credit Card with the number detailed above on this date:

Signature of Cardholder

Signature of Witness

Full Name

Full Name

Date

Date

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Expenditure

G1 Financial Delegations

Schedule of Authority to commit FCCS Funds

Group/Officer	Prescribed limit per transaction	Limitations
FCCS Board or Association Executive Committee	No limit	FCCS -wide without limitation Authorise Chairperson & General Manager to enter into contracts.
		Approval of new staff positions outside Board approved Budget
Student President	\$500	Within Board approved budget for Student Council
General Manager	\$10 000	FCCS- wide, including capital expenditure
	\$15 000	Stock replacement only
	\$25 000	Entertainers only
Catering Manager	\$10 000	Stock replacement only
Finance Manager	\$2 500	Respective Area funds
Retail Supervisor Sports Centre Manager	\$2 000	Capital expenditure
Marketing Manager HR Manager	\$2 500	Respective Area funds
Food & Beverage Supervisors	\$1 000	Stock replacement only

G2 Payment of Accounts

G2.1 Introduction

FCCS operates on the principle of delegated authority. The General Manager and Managers assume operation control and financial accountability for their respective sections. Staff are designated as buyers within these sections and are responsible for ensuring that:

- Expenditure incurred is solely for FCCS purposes;
- Expenditure has been appropriately authorised;
- The invoice or other documentation is addressed to Flinders Campus Community Services (or the FCCS trading name, Flinders One);
- Goods have been received or the services rendered;
- Quantity is correct and the quality is of acceptable standard;
- Unit price and the cost extension is correct;
- Invoice has not previously been paid;
- Original invoice is submitted to the Accounts Payable section in a timely manner.

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Delegation of financial authority is documented and a register of signatures is maintained by the Finance Manager. FCCS has a regular weekly cheque run for payment of creditors, employee reimbursements and prompt payments.

G2.2 Payment of accounts

FCCS will pay creditors for goods and services received on receipt of a duly authorized invoice, and in accordance with the agreed terms of trade, taking account of discount available. FCCS will not pay any amount to a creditor without an invoice.

G2.3 Signatories of Instruments of Payment

The following positions are authorised signatories of FCCS instruments of payment:

- General Manager
- Finance Manager
- Sport Centre Manager
- Chair, FCCS Board
- Director of Finance, Flinders University
- Associate Director of Finance, Flinders University

All cheques must be signed, and electronic banking authorised, by two authorised signatories.

G2.4 Prompt cheques

Requests for prompt cheques will be issued only in an emergency, and will be approved by either the General Manager or the Finance Manager. Payments will be issued from a cheque book kept in the cheque safe by the Accounts Co-ordinator. Details of prompt cheques issued will be entered onto the finance system within twenty four hours of issue.

G2.5 Procedure

G2.5.1 Receipt and processing of invoice

Invoices will be directed to the buyer in the department where the order originated.

After certification and approval, documents will be sent to the Accounts Payable section for computer processing.

G2.5.2 Certification of Invoices and approval for payment

Invoices related to a purchase order

- a. The invoice will be checked to ensure that it matches the Purchase Order and has been receipted on the system.
- b. Discrepancies will be resolved with the vendor by the buyer.
- c. If the invoice quantity or cost is greater than the purchase order, and this is acceptable then;
the purchase order will be adjusted on the system;

or

the invoice will be signed by the officer who authorised the purchase order approving the additional cost.

G2.5.3 Invoice not related to a purchase order

- a. The Invoice will be sent to the buyer to confirm the following;
 - Goods or services have been received and checked;
 - Invoice quantity and cost is correct;
 - Account code is correct

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- Signature of authorisation for expenditure.
- b. Any dispute will be negotiated between the supplier and the buyer.
- c. The invoice will be returned to Accounts Payable.

Note:

Prompt attention by the buyer or designated officer in the absence of the buyer is essential to avoid delays in the processing of invoices for payment.

G2.6 Quality Assurance

The Finance Manager is responsible for quality assurance of invoice payments.

G3 Petty Cash

Petty cash floats are held by the Cash Clerk in the Union Building and various areas in FCCS. A register of all petty cash floats is kept by the Cash Clerk. Requests for a petty cash float or an increase to an established float may be made to the Cash Clerk.

Petty Cash floats are intended for minor cash purchases of up to \$50 (plus GST), for bona fide FCCS expenditure which has been duly authorised by an appropriate officer.

G3.1 Petty Cash Claims

Requests for reimbursement in the form of a petty cash voucher are to include:

- Details of expenditure
- Amount of expenditure
- General Ledger Code
- Name and Signature of requesting officer
- Supporting receipts, wherever possible.

G3.2 Reimbursement of Float

Petty Cash floats will be reconciled as required.

Each voucher will be recorded on a Petty Cash Reconciliation form, detailing:

- Date
- General Ledger code
- Transaction Details
- Total expense
- GST or Exempt amounts.

The area supervisor will total and authorise the sheet. The Authorised form will be sent to the Cash Clerk who will arrange reimbursement of the petty cash float and processing of the Petty Cash Reimbursement into the accounting system.

G4 Till Floats

FCCS maintains floats for each of its trading locations. These floats comprise a change float and a register float. A register of all till floats is maintained by the Cash Clerk. Till floats are to be stored in a safe when not in use and in a cash drawer while being used. When locations close during the breaks the floats are to be collected by the Cash Clerk and banked until they are required.

The Cash Clerk will randomly check each float twice each year to ensure it balances to the recorded total. Should any float not balance the float will be topped up using the location's cash unders/overs

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account. The Finance Manager and the appropriate Manager are to be notified of any differences in floats.

G5 Stock Control

Stores are held in FCCS Catering, Sports and Retail areas. Each area's supervisor is responsible for ordering stock for his/her area. Some of these orders may be from internal suppliers (e.g. alcoholic beverages are ordered from the Tavern).

All stock purchase deliveries must be checked against the invoice or cart note at the time of the delivery, any variations noted and a credit note or new stock sought if necessary. Once the goods have been checked the invoice is passed on to the Accounts Payable Clerk for entry into the FCCS Stock Control system.

Any transfers of stock between locations must be documented and the transfer entered into the FCCS Stock Control system.

Stocktakes are carried out in each of the Food & Beverage outlets and Sports Kiosk at the end of each accounting month. The results are entered into the stock control system. The Catering Manager checks the catering stocktake for any significant variations and endeavours to find solutions for the variations.

Rolling stocktakes are carried out in each of the Retail outlets throughout the year. Each stock group must be counted twice through the year. A full stocktake is conducted at the end of each accounting year. The Retail Supervisor checks the stocktake for any significant variations and endeavours to find solutions for the variations.

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Assets

The FCCS Assets fall under the following headings:

- Furniture Fixtures and Fittings
- Plant & Equipment
- Computers
- Small Plant & Equipment > \$300
- Artwork

Assets under \$300 are written off in the year of purchase and would not be included on the asset register. Assets considered to be 'attractive items' may be included on the asset register.

H1 Assets Register

When an asset is purchased, its cost is allocated to the Plant & Equipment account. At the end of the accounting month the Accounts Payable Clerk compiles a set of all invoices relating to asset acquisitions. From this list the Finance Manager enters the assets into the Asset Register and tags the assets with an official FCCS Asset label.

Assets are depreciated on a monthly basis over their anticipated useful life except for artworks, which are not depreciated.

Managers and supervisors must notify the Finance Manager of any assets which have been transferred from another area or been relocated within the area to another location.

H2 Assets – Physical Checks

Assets listed on the FCCS Asset Register will be audited and the results included in the audited financial reports.

The Area Supervisor conducts rolling physical checks on fixed assets throughout the year. At the end of each accounting year the Area Supervisor and Finance Manager checks all assets.

H3 Asset Retirement

Assets will be retired from the FCCS Asset register for one of the following reasons:

- The Asset has reached the end of its useful life
- The Asset has been damaged and it is not economically viable to repair it
- The Asset has been stolen

The Area Supervisor or Finance Manager can approve the retirement of an asset. Once approval has been granted the asset sticker will be removed from the asset prior to disposal (unless stolen) and returned to the Finance Manager. The asset will then be removed from the asset register.

H4 Asset Depreciation

Straight-line depreciation is applied each year to all assets over \$300. Computer equipment is depreciated over 3 years, plant and equipment is depreciated over 5 years, furniture is depreciated over 7 years. Assets purchased at \$300 or less are depreciated fully in the year of purchase.

H5 Reconciliation of Assets to General Ledger

Data relating to an addition to the asset register is initially recorded in the Accounts Payable module when the asset has been received and invoiced. This process also updates the General Ledger.

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At the end of each accounting period all assets recorded in the General Ledger module are entered into the Fixed Asset module. The Accounts Payable clerk will provide the Finance Manager with a copy of all invoices relating to fixed asset purchases. These are then entered into the fixed asset module. The Finance Manager also makes any entries in relation to the Retirement of assets

After this process has been completed the Finance Manager generates reports showing the total value of the Asset register and the total value of the Plant & Equipment account in the General Ledger. The two reports compared and any discrepancy arising is investigated and corrective action initiated to bring the two reports into balance.

H6 Investment of Flinders Campus Community Service Funds

The FCCS investment strategy is to optimise income earned whilst minimising capital risk.

FCCS accepts that as the University has more resources and sound investment strategy it will hold all its surplus funds in its University ledger account. These funds will be invested as part of the University's overall investment strategy and any interest earned will be credited to the University Ledger account.

FCCS holds a minimum credit balance in its main operating bank account to ensure that the cheques drawn by the are covered.

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Taxation

Under current legislation FCCS is considered to be a not for profit organisation with Income tax exempt status.

I1 Pay as you Go (PAYG) Taxation

PAYG tax instalments are deducted from the pay of FCCS employees through the Redcat Payroll System. Legislation requires that instalments deducted are remitted to the Australian Tax Office by the twenty first day of the following month. Penalties are incurred for late payments

I2 Payroll Tax

Payroll tax is assessed under the provisions of the Payroll Tax Assessment Act 1971 (the Act), and Payroll Tax (Superannuation and Rates) Amendment Act 1974. The tax is based on wages paid or payable by an employer in South Australia at the prescribed rate (currently 5.5 %)

As a registered employer, FCCS is required to provide a Payroll Tax Return within seven days of the close of each month stating the taxable wages paid or payable during the month. A return is made each month whether or not tax is payable.

The Payroll Officer calculates the payroll tax based on a percentage of total earnings after deducting allowable items, The Payroll Officer remits the monthly return together with the necessary payment of payroll tax to the Commissioner of Stamps by the due date.

I3 Goods & Services Tax (GST)

Goods & Services Tax (GST) is assessed under the provisions of the A New Tax System (Goods & Services Tax) Act 1999. The tax is a broad based consumption Tax currently set at 10%.

FCCS is a registered under the provisions of the Act. The FCCS Australian Business Number (ABN) is 53 390 033 434 which is quoted on returns and relevant correspondence when dealing with the Australian Taxation Office.

FCCS is required to collect GST on the majority of the Goods & Services it sells. The exceptions to this include some Food & Beverage products, Vacation Care programme fees, some educational courses and some Health Services.

FCCS is required to pay GST on the majority of the Goods and Services it buys including services provided by the University.

At the end of each quarter FCCS is required to lodge a Business Activity Statement (BAS) which details all of its GST transactions. The difference between the GST collected and paid needs to be remitted to the Tax Office. The BAS must be lodged 21 days after the end of the last month in the quarter

I4 Fringe Benefits Tax

Fringe Benefits tax (FBT) is assessed under the Fringe Benefits Tax Act (1986).

FCCS is entitled to claim a rebate under Section 65 (j) of the Fringe Benefits Tax Assessment Act 1986

65J Rebate for certain non-profit employers etc

(1) Rebatable employer

For the purposes of this section, an employer is a rebatable employer for a year of tax if the employer is not a public benevolent institution and is covered by any of the following paragraphs at any time during the year of tax:

j) a non-profit society, non-profit association, or non-profit club, established for community service purposes (not being political purposes or lobbying purposes);

FCCS is required to remit tax on any fringe benefits provided to its employees. Generally this is for employees who package their salary; however some items may be packaged without incurring FBT. The cost of FBT paid in relation to salary packages will be included in the overall salary package. For more information refer to the Salary Packaging Policy. At the end of each quarter FCCS is required to pay an estimated FBT liability to the Tax Office. This is included on the BAS and is remitted at the same time as the GST is paid.

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Payroll & Salaries Accounting

J1 Salary Accounting

FCCS salaries and wages are administered by the FCCS Administration Department through the Redcat Payroll module. Matters relating to policies, procedures and practices on the administration of salaries and wages are contained in the Enterprise Agreement.

The payroll module links directly with the Redcat General Ledger for the purpose of recording data relating to the cost of employment. Each fortnight employees' pays are calculated using timesheet information, including the cash register time clock system. Net Salaries are paid into individual employee's bank accounts (including credit unions and building societies) via BankSA electronic funds transfer. The amount of net salaries is compared to the transaction on the bank statement and reconciliation is performed by the Payroll Officer. Any employee's pay which is returned to the FCCS bank account will be paid to the employee as soon as possible by EFT, once the employee confirms their correct banking details.

If an employee is short paid due to a Payroll processing error the Payroll Officer will process as an EFT payment within 2 days of receiving notification of the error. If the employee is short paid due to not providing correct details then the correction will be made in the pay run following notification of the error. This can include incorrect time sheet information, including omitting to clock in or out of the time clock system or failure to provide a fully completed employment package.

At the end of the accounting month, the Payroll Officer prepares documentation required for payment of PAYG, Payroll Tax, Superannuation and Workcover. This is authorised by the Finance Manager prior to cheques being drawn or electronic funds transferred.

At the end of each accounting month the Payroll Officer prepares the wages accrual journal in accordance with the annual accruals schedule. Any accrual will be reversed in the following month. The Payroll Officer also reconciles the Wages Clearing account to ensure that correct accounting entries are made and action taken for adjustment of incorrect accounting transactions.

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Travel

K1 Principles

- K1.1 FCCS will only fund travel if it is for official FCCS business.
- K1.2 Staff must seek approval from an Authorised Person to undertake FCCS travel.
- K1.3 Staff who undertake FCCS travel are accountable for compliance with this policy.
- K1.4 Staff who authorise travel are accountable for compliance with this policy.
- K1.5 No staff member may approve his/her own travel or benefits.
- K1.6 FCCS travel should be arranged using the suppliers preferred by FCCS wherever possible.

K2 Approval for travel

- K2.1 Authorised Persons

The Chair of the Board and the General Manager are authorised to approve travel.

Staff intending to undertake FCCS travel are required to apply for approval from an Authorised Person in advance of the travel. Approvals must be recorded in writing.
- K2.2 FCCS reserves the right to withdraw approval, restrict, or cancel travel, having regard to health warnings, security warnings or other factors.

K3 Class of travel

- K3.1 The standard for all air travel is economy or discount fares. First class train or bus travel may be used provided that the cost is no more than the lowest economy class airfare. Only the actual cost of train or bus travel will be funded.

K4 Travel expenses

- K4.1 Accommodation and subsistence

FCCS will normally meet the costs associated with accommodation, meals, incidentals and other approved items, up to the standard rates adopted by FCCS, subject to the availability of funding. Payment for accommodation, meals and incidentals will be only for the actual expenditure incurred up to the standard rates.

 - K4.1.1 Rates for meals and incidentals are based on recognised standards for corporate travel as set by the Australian Taxation Office. The standard for accommodation is moderate business class hotels convenient to the place of business.
 - K4.1.2 When meals are provided as part of conference registration packages the amounts allowed must be adjusted. As appropriate meals are served during flights, eligibility for meal allowances should commence on arrival at the destination and cease upon departure.
- K4.2 Domestic travel – payment and acquittal

Only actual expenditure incurred on accommodation, meals, incidentals and other items will be met by FCCS, up to the standard rates.

Staff may pay for travel expenses by Business Credit Card for direct payment or where not possible, by reimbursement at the end of travel.

All expenses must be acquitted in the appropriate way, and by the due date.

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Insurance

FCCS maintains a comprehensive range of insurance against risks relating to incidents which are likely to occur. The cover is handled by the Flinders University as part of its overall coverage. It includes:

- General public liability
- Industrial Special Risks
- Directors and officers liability
- Professional Indemnity
- Motor Vehicles

On occasions FCCS may take out other special purpose insurance for protection against risks associated with special events, such as weather insurance. The University's Insurance officer should be contacted when arranging this type of coverage.

Insurance claims and queries are handled by the University Insurance Officer, except for workers' compensation claims which are handled by the FCCS Payroll Officer.

It is important that any incident or loss which may give rise to an insurance claim is reported immediately to the University Insurance officer to avoid repudiation on the grounds of late notification.

Under no circumstances will liability be admitted, either verbally or in writing for any loss incurred.

Negotiations will be undertaken only by qualified insurance representatives.

Varying rates of excess apply to all insurance cover. Areas are expected to meet the excess which applies to any claim made.

L1 Notification and Submission of Insurance Claim

Each insurance loss will be notified to the Finance Manager by the Manager of the area in which the loss occurred.

On notification of to the accident or loss, the Finance Manager will advise the University Insurance officer.

A claim form will be sent to the claimant which will be completed and returned with any supporting documentation to the University Insurance officer.

All reasonable steps will be taken, following an accident or loss, to protect against further injury or damage.

Any loss by theft, wilful or malicious damage will be reported to the nearest Police Station at the earliest opportunity by the Manager of the area concerned and a Police report number obtained.

The Insurance Officer will report to the Insurance Broker by submission of the completed claim form.

A correspondence file for claim documentation will be opened.

FCCS will respond to enquiries from the insurer or claims assessor.

L2 Settlement of Claim

Claim settlements for insurance losses fall into four categories as follows:

- Losses of FCCS property where settlement is made by cheque payable to Flinders Campus Community Services.
- Losses of personal property where settlement is made by cheque payable to Flinders Campus Community Services.
- Losses of personal property where settlement is made by cheque payable to the individual suffering loss.
- Damage to FCCS motor vehicles where settlement is made direct with the repairer.

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Settlement will be agreed with the insurer by the Insurance Officer.

A cheque received in settlement of an FCCS loss will be deposited into the FCCS bank account.

A cheque received for personal property loss, but made payable to Flinders Campus Community Services will be deposited into the FCCS bank account and a cheque drawn in favour of the individual.

A cheque received for personal property loss and made payable to an individual will be forwarded to the payee.

Personal claim settlements where cheques are issued in the name of the claimant will be forwarded to the payee.

In the case of damage claims to motor vehicles, settlement is made direct to the repairer by the insurer.

The correspondence file will be closed and filed with completed claims.

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General Accounting

M1 Account Reconciliations

Balance sheet accounts are reconciled at the end of each accounting month or as otherwise determined by the Finance Manager.

Each account reconciliation includes a statement outlining the name of the account, the nature of the transactions (DR and CR) to be recorded and what the balance of the account represents.

Reconciliations are completed not later than the end of the second working week of the period following that to which the reconciliation relates.

The year end reconciliations are included in the working papers for submission to the FCCS Auditors.

M2 Journals

The purpose of journals is to correct errors, allocate/re-allocate costs across cost centres and accrue income and expenditure. Journals facilitate internal accounting transactions and arise from the following sources:

- Manual input
- Other Redcat modules i.e. payroll, Debtors, Creditors and Fixed Assets
- Standing Journals

M3 Chart of Accounts

FCCS Chart of accounts has been designed with a view to providing flexible internal and external reporting.

Redcat SmartFinance complies with the standard double entry method of book keeping.

Redcat SmartFinance provides three levels of accounts:

M3.1 The first level comprises six standard categories which are set and cannot be altered.

They are:

- Revenue
- Expense
- Cost
- Assets
- Liabilities
- Equity

M3.2 Within each of the above categories the Finance Manager sets up Account Groups.

M3.3 Within each of the Account Groups the Finance Manager sets up Accounts.