|  |  |
| --- | --- |
| Purpose | To ensure that the cash resources of name of service are managed in accordance with processes that meet financial audit requirements. |
| Scope | This policy applies to all staff, including contractors, management and Board/Directors of name of service. All staff will be advised of the requirements of this policy on orientation to the service and ongoing as appropriate. |
| References[[1]](#endnote-1) |
| Guidelines | [IRD Smart Business Guide](https://www.ird.govt.nz/resources/b/0/b0d348004ba3d38ea5afbd9ef8e4b077/ir320.pdf) |
| Service documents | Service agreements with funding agenciesSeparation of financial dutiesSensitive expenditure |

**Board/Director responsibilities**

(In line with the separation of financial duties)

**Bank accounts and cheques**

Two cheque accounts will be operated for:

* General receipts and payments.
* Trust fund account (if relevant).

All cheques for operating expenses to be signed by two signatories of whom one is a Board member/Director.

Signatories to cheques:

* Board chairperson
* …………………………….
* …………………………….
* …………………………….

All cheques for fixed assets and long-term investments are to be signed by the Board Chairperson/Director and …………..



* Under no circumstances is a cheque signatory to sign a blank cheque.
* All cheques, except those for petty cash reimbursement must be issued as ‘not transferable’
* The cheque account cannot be operated in overdraft.
* One = to hold cash resources not currently required for operating purposes.
* One = for fixed asset replacement and cyclical maintenance reserves.
* One account for the funds held by the organisation in trust for donor specified purposes.

Three at-call interest bearing deposit accounts will be operated.

Investments of funds are only be made in accordance with the following conditions:

* No investment in equity stocks or synthetic money market products.

Investments.

[Fundraising](http://www.community.net.nz/resources/community-resource-kit/introduction-to-raising-funds/)

* No illegal fundraising contract will be entered into.
* No professional fundraisers will be hired.
* If in doubt, a registered accountant will be consulted for expert advice.

**IN**

**LINE**

**WITH**

 **SEPARATION**

**OF**

 **FINANCIAL**

 **DUTIES**

Cash receipts

All cash and cheques received must be:

* Receipted.
* Banked within one working day of receipt.
* Paid into name of organisation account.
* Not used to pay accounts in cash.
* Kept securely on the premises under the control of a delegated person.
* No more than $....... of petty cash is held at each service.
* Reimbursement claims from the petty cash fund:
	+ shall not exceed $.......
	+ must be accompanied by a receipt
	+ must have an approved petty cash voucher.
* Petty cash advances:
	+ will only be made for up to $.......
	+ have an approved petty cash voucher
	+ receipt for expense to be provided within …. working days of the advance
	+ unspent cash to be returned within …. working days.

Petty cash

All accounts for payment (other than expense reimbursements) must be supported by:

* name of service order form.
* Invoice with authorisation by the person ordered that:
	+ each item has been received
	+ price and quantities are correct
	+ payee details are correct
	+ completed cheque is ready to be signed or
	+ bank transfers are initiated.

Accounts for payment

* Must be authorised by …………
* Public services rates for mileage will not be exceeded ($0.72).

Private vehicle use reimbursements

**Accounting Records**

At all times

………………

………. will arrange for accounting records to be maintained.

The records must satisfy all requirements specified in the [Companies Act 1993](http://www.legislation.govt.nz/act/public/1993/0105/latest/DLM320872.html), contract agreements (for example DHB’s, [financial reporting standards](https://charities.govt.nz/new-reporting-standards/) and [guidelines.](https://www.companiesoffice.govt.nz/companies/learn-about/compliance-requirements/maintaining-keeping-records#accounting-records)

Manager/CEO

[Financial reporting](https://charities.govt.nz/new-reporting-standards/)

Reports to the finance committee/Board

Financial report including:

* Statement of financial performance.
* Comparison to budget.
* Summary statement of cash flow.
* Summary statement of financial position.

[Monthly](http://www.community.net.nz/resources/community-resource-kit/financial-reporting/)

Summary that describes:

* Key financial achievements from the previous month.
* Expectations for the month ahead.
* Significant matters and/or risks that must be addressed by name of service.

Recommendations made to the Board for the purchase of fixed assets, investments and other use of cash resources must refer to the impact of name of service’ s present cash resources and projected cash flows for the next 12 months.

# Consultation

|  |  |
| --- | --- |
| Group/Role | Date |
|  |  |
|  |  |
|  |  |
|  |  |

1. [↑](#endnote-ref-1)