



<b>POLICY</b>	<b>FINANCE AND CONTRACT MANAGEMENT</b>		
<b>DOCUMENT REF</b>	<b>PS FIN 01</b>	<b>EFFECTIVE DATE</b>	<b>11 Feb 2021</b>
<b>RESPONSIBILITY</b>	<b>Board / EO</b>	<b>REVISION NO.</b>	<b>Version 1</b>

### Purpose and Scope

This policy is to support The Hut to manage its financial functions in a manner that ensures strong fiscal management and financial sustainability.

It provides guidelines for financial and contract management based on sound planning, control and evaluation, to achieve optimum use of Hut resources and accountability to Hut members, the community and funding bodies.

This Policy also provides guidelines to the Board and staff when seeking or accepting grants, sponsorships and donations.

### Definitions

Assets	Physical and non-physical items of value that the organisation owns and/or controls. They include cash investments, buildings, equipment, machinery, furniture and money owed by others (Accounts receivable)
Contract Management	The process of managing contract creation, execution, and analysis to maximise operational and financial performance as an organisation, all while reducing financial risk
Staff	Paid staff and volunteers
National Standard Chart of Accounts	The National Standard Chart of Accounts (NSCOA) is a tool designed primarily for small to medium non-profits, providing a common approach to the capture of accounting information by community organisations for use by non-profits, government agencies and other interested parties.

### Background

The Hut is a 'for purpose' body with the following status under the A New Tax System (Goods and Services Tax) Act 1999 – Registered for Goods and Services Tax (GST) Australian Taxation Act:

- Income Tax Exempt charitable entity
- Endorsed as a Deductible Gift Recipient
- Recognised as a Public Benevolent Institution with Fringe Benefits Tax concessions

The Hut's financial year runs from 1 July to 30 June.



## **Policy Statement**

The Hut Board is aware that the funds it manages are community funds to be used in achieving its mission and objectives. This understanding is at the crux of all decisions made by the Board and in overseeing The Hut's financial and non-financial assets.

Hut finances and assets are managed, monitored and reported as appropriate to ensure the best use of resources and to meet granting body and legislative compliance.

The Hut Board, in managing its finances and contracts, commits to maintaining a healthy financial 'reserve' to ensure agreed deliverables are not compromised if one or more funding streams are lost or reduced. A diverse range of funding streams will be actively sought and maintained to grow the business and increase financial sustainability.

Short term investing of funds not required for the current operating budget will be enacted to maximise retained funding while retaining capital value.

Risks are minimised through:-

- ensuring comprehensive risk and financial management policies, procedures and registers are in place
- recruiting a highly skilled and qualified Financial and Audit Board sub-committee with the delegation to oversee all finance and assets, including funding and contractual agreements;
- ensuring all sponsorships, grants and donations are received with integrity for purposes aligned with The Hut's mission and to further the vision and objectives
- having effective financial delegation procedures in place that are reviewed annually;
- holding Hut investments and banking in Australian financial institutions that are covered by the Australian Government Guarantee Scheme;
- compliance with legislative requirements, including undertaking an annual external financial audit
- maintaining and adequately insuring all Hut assets with an insurer authorised by the Australian Prudential Regulation Authority.

## **Objectives**

The objectives of this policy statement and associated procedures are to ensure that:

- The Hut's financial position is protected to ensure the availability of resourcing for Hut activities to meet its vision and purpose
- Financial governance and management is responsible, transparent and communicated to stakeholders
- Responsibility and compliance are appropriately delegated and reported,
- Compliance with all legislative and regulatory requirements and funding body obligations are met.



## Roles and responsibilities

The Hut Board is responsible for The Hut meeting all its financial obligations as identified by the Australian Charities and Not-for-Profit Commission (ACNC) and for reporting openly and accurately to stakeholders.

The Hut Board monitors the adoption of, and adherence to, internal controls to ensure the protection of The Hut's financial affairs. It ensures the controls are managed prudently and with integrity, in line with the National Standard Chart of Accounts, the Australian Charities & Not-for-Profit Commission and the Australian Service Excellence Standards.

The Finance and Audit (F&A) Committee:

- responsibly monitors The Hut's financial position and transactions
- ensures that prudential financial procedures and practices are in place and adopted to minimise the prospect of misuse of The Hut's resources
- is responsible for overseeing the annual audit and appropriate reporting

The Executive Officer (EO):

- is responsible for maintaining The Hut's chart of Accounts and its accounting system, in conjunction with the F&A Committee
- oversees the adherence to internal controls and the approved budget
- ensures that standard accounting procedures are followed and that records and reports are both accurate and informative of The Hut's financial position.

Related Documents	<i>Contract Management Procedures</i> <i>Debit Card Procedures</i> <i>Finance Procedures</i> <i>Insurance Procedures</i> <i>Investment Procedures</i> <i>Misconduct &amp; Fraud Procedures</i>
Legislation & References	<i>Associations Incorporation Act 1985</i> <i>A New Tax System (Goods and Services Tax) Act 1999</i> <i>Corporation Act 2001</i> <i>Superannuation Guarantee (Administration) Act 1992</i> <i>Social, Community, Home care &amp; Disability Services Industry Award 2010</i>



Signed on behalf of Hut Board by Hut Chair:  
Name: Loraine F Scheide  
Signed: *L Scheide* Date: *11/2/2021*

Date Approved by Board: February 2021 | Next Review Date: February 2024