

2. Guidelines on Financial Matters and Fund Raising

These guidelines have been developed as per Clause 36 (2) of the Constitution of the Jaffna Hindu College Old Boys Association Australia - NSW Branch Incorporated.

The aim of these guidelines is to ensure that financial transactions are conducted as per generally accepted Accounting Standards, thereby protecting the financial integrity of the Association.

Part 1 – Funds Management

1. General

Petty Cash

- 1.1. The association shall maintain a petty cash float of \$300.
- 1.2. The Treasurer shall have a limit of \$100 per transaction.
- 1.3. The Treasurer may delegate the responsibility to maintain petty cash imprest system to the Assistant Treasurer
- 1.4. Appropriate documents such as petty cash payment voucher and supporting receipts shall be maintained in support of the petty cash payment.
- 1.5. There shall be no cash payments other than the petty cash referred above.

Approval of Expenditure

- 1.6. Expenditure exceeding \$500 shall be approved by the Management Committee prior to committing such expense.
- 1.7. Where any expenditure up to and including the amount of \$500 is committed by any of the office bearers, such expenditure must be tabled before, and ratified by, the Management Committee at the next meeting.

2. General Banking

- 2.1. The funds of the Association shall be maintained in a combination of the below accounts with an Australian Financial Institution.
 - a) A Transaction account for day to day running of the association, with cheque and Electronic Funds Transfer (EFT) facility.
 - b) Savings account(s).
 - c) Term deposit account(s).
- 2.2. The Treasurer shall be the custodian of all bank documents, including cheque books, Term Deposit Certificates and any other financial documents. The Treasurer shall not delegate this responsibility to any other person other than Assistant Treasurer.
- 2.3. Any excess funds beyond the day to day requirements may be held in an interest earning account as per 2.1.b) and / or 2.1.c) above.
- 2.4. The following officer bearers are authorised as signatories of the accounts.
 - a) The President
 - b) The Secretary
 - c) The Treasurer
 - d) The Assistant Treasurer
- 2.5. Cheques shall be signed by two signatories.

- a) The primary signatory shall be the Treasurer. Where the Treasurer is unavailable to sign the Assistant Treasurer may sign as primary signatory.
- b) The second signatory shall be either the President or the Secretary.

3. Online Banking

- 3.1. Online Banking Facility may be organised with the Financial Institution where the Transaction account is held.
- 3.2. Only the authorised signatories to the account as per clause 2.4 shall have access to online banking with the following restrictions.
- 3.3. Treasurer and President shall have administrative access of online banking with authority to initiate and authorise electronic fund transfers.
- 3.4. Other signatories to the account shall have access to view transactions and statements only.
- 3.5. Other members of the committee shall not have access to online banking.

4. Receipts

- 4.1. All funds received shall be deposited into the bank account in full, irrespective of the size of the receipts, as soon as practicable.
- 4.2. Funds received shall not be used to make any payments under any circumstances.
- 4.3. An official receipt shall be provided for amount received, including EFT, irrespective of the size of the amount received.
- 4.4. A sequentially numbered receipt book shall be maintained to record receipts.
- 4.5. There shall be only one receipt book maintained at any point in time.
- 4.6. Any receipt that is cancelled must be crossed out, signed by the Treasurer and attached to the receipt book.
- 4.7. Where pre-printed receipt books are used by the Association, the Treasurer shall have custody of the receipt books and maintain the log of the receipt books.
- 4.8. The treasurer shall hand over a reconciliation of the receipt books to the next Management Committee, at the end of the financial year.

5. Payments

- 5.1. Payments exceeding the prescribed petty cash amount shall only be made through the bank account, by way of cheques or EFT.
- 5.2. All payments shall comply with the restrictions referred to in clause 1.6.
- 5.3. No payments shall be made directly from the funds received under any circumstances.
- 5.4. All payments shall be made by Treasurer or Assistant Treasurer of the Association only. Other committee members shall not be allowed to make any payments.
- 5.5. All cheque payments shall be recorded immediately in the cash book.
- 5.6. All cancelled cheques shall be crossed out, marked 'cancelled' and attached to the cheque book with the serial number.

- 5.7. All EFT payments shall be made in accordance with the clause 3.3
- 5.8. Appropriate serially numbered payment vouchers shall be used for each payment after obtaining an invoice from the provider of goods or services.
- 5.9. An official invoice shall be obtained for every payment made. These invoices are to be attached to the payment voucher.
- 5.10. Vouchers for any-payment exceeding the pre-approved limit shall have the reference of the approval from the Management Committee before such payment can be effected.

6. Reporting

Reporting to the Management Committee:

The Treasurer shall table the following documents at every meeting of the Management Committee.

- 6.1. A list of all funds received and payments made since the previous meeting.
- 6.2. Details of expenses or commitments requiring Management Committee ratification under 1.6, 1.7
- 6.3. An Income and Expenditure Statement of the Association, showing various sources of income and expenses for the period since the previous meeting and for year to date.
- 6.4. This Statement shall be read and accepted by the Management Committee.
- 6.5. Separate Income and Expenditure Statement(s) for any major fund raising event(s) showing cumulative actual amounts and expected forecast amounts for the event(s).

Year End Reporting:

Year End reporting by the Treasurer shall comply with the following requirements.

- 6.6. The following core Financial Statements of the Association must be provided.
 - a) Income and Expenditure Statement for financial year.
 - b) Balance Sheet as at the end of the financial year.
- 6.7. The following supplementary documents must also be provided.
 - a) A cash flow statement, showing cash inflow from all sources, outflow of payments made and net change in cash and bank balance.
 - b) Separate Income and Expenditure Statement for the major fund raising event/s, if any, carried out by the committee, with details of recoverability of income and expenses payable.
 - c) Detailed notes explaining the breakup of receivables and payables together with age of such balances.
- 6.8. The Financial Statements shall be prepared for the financial year only, irrespective of the operational period of the committee.
- 6.9. The President and the Treasurer shall certify that the Financial Statements have been prepared accurately, reflecting a true and fare view of the financial affairs of the Association during the financial year.

- 6.10. Financial statements and other supporting documents listed above shall be audited by an auditor, appointed at the Annual General Meeting, prior to distribution to members.
- 6.11. All information required by the auditor shall be provided without restrictions allowing an independent examination and certification by the auditor.

Distribution of Financial Statements to members:

- 6.12. Financial statements shall have been audited in advance of the annual general meeting.
- 6.13. Audited Financial Statements together with other supporting statements shall be distributed to all registered members of the Association together with notice of the Annual General Meeting scheduled in each Financial Year.

Part 2 - Fund Raising

7. Source of Funds

- 7.1. The Association shall only source funds from the following means.
 - a) Membership subscription.
 - b) Sponsorships.
 - c) Donations.
 - d) Proceeds from Fund raising events organized by the Association, including but not limited to ticket sales and advertising.

8. Membership Subscriptions

- 8.1. Funds received from subscriptions of life members shall be held in a Term Deposit with interest payable annually.
- 8.2. Interest received from Term Deposit for Life Membership Fund at maturity shall be paid into the Transaction account of the Association and used for the running expenses of the Association only.
- 8.3. Subscription funds received from life members shall not be spent on any projects or activities, other than running expenses of the Association.
- 8.4. Management committee shall approve the life membership subscription amount to be kept in the savings account until the total amount reaches the minimum amount required to be maintained in a term deposit account.
- 8.5. A list of life and annual members with the date of membership shall be provided to the Treasurer by the Secretary for reconciliation with subscription income received.

9. Sponsorship and Donations

- 9.1. Sponsorship and donations received for any specific purpose shall be used only for such purpose.
- 9.2. Other general sponsorship and donations received shall be used for the running of the Association as per the Constitution.