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1. Legal Entity

Albany Students' Association (ASA) registered in August 1998 as a not-for-profit Incorporated Society, under the Incorporated Societies Act 1908.

In July 2018, Albany Students' Association gained charitable status and is listed on the New Zealand Charities register (CC55766).

Students who are studying internally at the Massey University Auckland campus are eligible to be members of the Association.

2. Purpose and Scope

The purpose of this policy is to ensure Albany Students' Association is run in a legal, financially efficient, accountable, and sustainable way. It provides assurance to the Executive on the quality and integrity of the Association's financial processes.

This policy should be followed by all Association staff and executive members.

3. Financial Principles

The Association's purpose is to utilise Association funds and resources for the benefit of its members.

The Executive employs a general manager who has responsibility for the day to day running of the Association and related financial activity.

The Association prepares an annual budget which is ratified by the membership at a General Meeting in the second semester.

The general manager provides regular updates of actual expenditure versus the budget to the Executive Committee.

The Association's financial accounts are audited by an external, accredited auditor.

The Association's financial reports are prepared using the accrual accounting method to meet the Charities Commission tier 3 accounting requirements and format.

The financial year for accounting purposes will be January to December.

4. Membership Fees

There is currently no charge for membership of the Association, although its Constitution and Regulations (section 8.3) allows for a membership fee to be set at a general meeting.

5. Accounting Software

The Association uses subscription-based accounting software. These should be reviewed every 2 years, in line with this policy to ensure that they are still the most suitable options.

- MYOB – for payroll
- Xero – for all financial accounting

6. Budget

A budget is prepared to plan for future periods so that the resources of the Association may be best used to achieve the goals of the Association.

The annual budget provides a basis for comparison of expectations and actuals and needs to remain flexible enough to accommodate changes arising either internally or external to the Association. Budgeting is a continual process of information collection, comparison and interpretation that informs the Association's ability to make confident financial decisions so that the Association can remain a 'going-concern'.

Schedule 1, 'Executive' Section 2.3 of the Constitution and Regulations, states:

"The ASEC shall formulate the budget to be set at a General Meeting and to ensure this budget is followed and amended as appropriate."

The ASEC shall formulate the budget or shall delegate the responsibility to the Finance Sub-Committee who works to collect, compare, and interpret financial data for the purpose of budget construction, monitoring, feedback, and reporting.

The budget is prepared for the executive committee to ratify prior to its presentation at a general meeting in the second semester.

Once ratified, the budget will be made available to association members on request.

The budget predominantly uses the prior year's actuals to create the new year's budget as at the time of creation, there are many unknowns, including the income that can be anticipated from the service level agreement with the University.

A budget is prepared for each cost centre of the Association.

- Administration and Overheads including staff expense
- Advocacy service
- Campus Culture
- Executive Costs including honoraria expense

Given the not-for-profit nature of the Association, it is envisaged that income received during the year will for the most part be spent in the current year. However, the Association can decide to put funds aside for a project in a future year. The Association needs to retain some funds to

ensure continuity should there be unforeseen circumstances. It is recommended that the Association has a safety net of at least 6 months operating expense.

7. Audit

An auditor will be appointed at a general meeting of the Association. The annual audit will be arranged (usually March/April) so that final accounts may be presented to the membership at the May general meeting for filing to the Charities Commission in the June following balance date.

8. Insurance

The Association will maintain business insurance cover for:

- Material damage
- Professional Indemnity
- Motor Vehicle

9. Reporting to the Executive Committee

Actual expenditure is compared to budgeted expenditure each month. Reports are prepared by the accounts clerk and a commentary is provided by the general manager to the executive committee explaining any significant differences.

10. Reporting to the Membership

The Association will provide an annual report to the membership at its General Meeting in Semester one. This report will include both activity related performance and financial performance for the previous year to December.

11. Income Streams

The Association's main income stream is via a Service Level Agreement with the University. The Association may also consider other income streams, including investment, advertising and sponsorship, membership fees etc.

12. Expenditure

Department lead staff are responsible for delivering their services as per the Association budget. They will be provided with monthly reports of actual expenditure v budget and are able to request an update at any time from the accounts clerk. It is anticipated that individual staff will monitor costs as they are incurred to ensure overspends do not occur.

Where possible, an invoice should be received prior to payment and payments should be made directly to the supplier via internet banking which requires 2 authorisers.

For expenditure that can only be paid for online, refer section 16 – Debit cards.

For reimbursements, refer section 22 – Reimbursements.

13. Reassigning of Budget Lines and Un-budgeted Expenditure

Departmental staff may request that budgets within their department are re-assigned to a different area within their department. This request will be to the general manager who will hold the discretion to reallocate the budget within the service area.

Re-assigning of budgets between departments will require the general manager to seek the approval of the executive committee.

Significant expenditure of more than \$3,000, for new projects that had not been included in the annual budget will require the general manager to seek the approval of the Executive Committee.

14. Pecuniary Gain / Conflict of Interest

Individual Association members may not make pecuniary gain from Association activities. Additionally, where a new business relationship is to be formed, if a staff member or executive member has a relationship with the other party, a conflict of interest must be declared. The conflict of interest is to be considered by the Executive Committee who will have the decision-making authority to allow or not allow the financial agreement. The decision is to be recorded as a motion in the meeting minutes where the conflict of interest is considered.

15. Bank Authority

The Association banks with the Bank of New Zealand. Except for the debit card accounts, all transactions on all other Association accounts require 2 signatures/authorisations - wherever possible the authorisation will be by an authorised Executive member and an authorised staff member. An exception to this will be for hardship payments for privacy reasons of the student in hardship, where staff members will usually authorise the payment.

There will be a minimum of 4 people recorded by the bank as account signatories / authorisers on internet banking. These will usually be:

- General Manager
- Advocacy Coordinator
- President
- Vice President

Each year when a new president and vice-president takes office, BNZ paperwork will be completed to remove the outgoing president and vice-president as a signatory and to appoint authorising authority to the incoming president and vice-president

The general manager is the administrator for internet banking. The accounts clerk will have access to internet banking but will not have the authority to authorise transactions.

Procedure for payments by internet banking

- Accounts clerk sets up the payment
- Accounts clerk provides payment batches including supporting invoices/paperwork to general manager and president
- General manager authorises bank transactions
- President authorises bank transactions
- Note: For SAP transactions, to maintain student confidentiality, the second authoriser is the Association advocacy coordinator

16. Debit and On Account Cards

The Association will not hold any credit cards.

Debit Cards

The general manager and president each hold a debit card which can be used for online subscriptions and other one-off online purchases where it is not possible to secure an invoice prior to payment using internet banking.

Each Association debit cards is linked to its own account which only requires one signature, and the balance of the account should be maintained so that it only covers operational requirements for 2 weeks. In usual circumstances, the general manager's account should not hold more than \$2,000 and the president's account should not hold more than \$500. However, where a large expense is anticipated, e.g. flights and accommodation for executive travel, the general manager will have the discretion to transfer a higher balance to these accounts for operational efficiency.

The Association debit cards can be used to withdraw cash from the campus ATM for petty cash purposes.

The Association debit cards are ONLY to be used for Association business expense.

For all debit card expenditure, the debit card holder is responsible for supplying all supporting invoice/receipts to the accounts clerk.

On Account Cards

The Association holds the following "on account" cards which can be used in shops with invoices sent by the supplier to the Association following purchases. These cards are signed out by staff members when required.

- Gilmours card
- Warehouse Stationery Card – this can be used at Warehouse Stationery, The Warehouse and Noel Leemings

The general manager has the authority to apply for "on account" cards from other Association suppliers.

17. Travel Expenditure

Vehicle Use

Where practical the Association's van should be used for any local travel that is required, although as the van has a manual transmission means that not all staff/executive are able to drive the van.

Where an employee or executive member is required to use their own vehicle to travel for Association business, they are entitled to be reimbursed for the use of the vehicle at the per kilometre rate specified by the IRD. Evidence of the journey, and reason for the journey is to be supplied.

Air Travel

Domestic air travel to attend National meetings or trainings should be booked early to ensure best pricing. Bookings should usually be paid for using an Association debit card. Where this does not happen, reimbursements can be made provided prior approval has been sought from the general manager, full supporting documentation is provided and the cost falls within the agreed budget.

The most efficient means should be used for transport to get to and from Auckland airport and to and from the venue at the destination. Options include, ASA van, airport bus, shuttle bus, own car, bus, taxi, uber. If more than one person is travelling a group journey should be arranged. Receipts are to be kept for reimbursement purposes.

Parking at the airport (if required) should be pre-booked and paid for using an Association debit card.

For most one-off meetings, travel should be completed on the same day, but for welfare reasons, staff/executive may opt to travel the afternoon before for meetings that commence in the morning that would otherwise see them leaving home in the early hours of the morning. In this situation, accommodation will be paid for by the Association.

Accommodation

Accommodation must be pre-booked prior to travel. Where possible, an invoice should be supplied which is paid by internet banking. This is increasingly difficult with the more cost-efficient options and so pre-payment using an Association debit card is the next best option. Failing that, where bookings for accommodation are made and then paid for by the staff member or executive member personally, a reimbursement may be made provided that the cost is within the budgeted amount and a receipt/proof of payment is supplied.

Meals / Per Diem

Whilst traveling on Association business a reasonable allowance for food will be available. This will be capped at \$100 per day. Reimbursements will only be made on presentation of receipts.

18. Taxi Account

The Association has an account with TaxiCharge and holds taxi vouchers in the Association safe. Authority to activate the vouchers must be provided by the general manager or in the case of hardship, the advocacy coordinator. Vouchers can be issued for a time period, maximum \$ amount or number of trips.

19. MTA Vouchers

The Association maintains an inventory of MTA vouchers which are stored in the Association safe. These are primarily used for hardship purposes and clubs. MTA vouchers are recorded as an asset on the balance sheet in the accounting system. A log of vouchers issued is maintained.

20. Prizes

The Association keeps a prize log for prizes that awarded as part of a competition or event. Prizes are to be restricted to currently enrolled Massey University students. The Executive members are not eligible to win prizes. Small value, less than \$50 prizes, such as candy bars and drinks are not required to be listed on the prize log but will be treated as an event expense item.

21. Payment Reporting

The Accounts clerk will keep an excel document listing all expenditure for each month. This is separated into the following sections and is presented to the Executive Committee for noting at the end of each month.

- Operational expenditure from cheque account
- Debit Card transactions
- Contracted payments
- Petty Cash payments
- Transfers between accounts
- Payments made on behalf of affiliated clubs
- Hardship payments

The Executive Committee should question any expenditure that it does not understand with the general manager so that an explanation may be provided. The reporting is recorded as a motion in the Executive meeting minutes.

22. Reimbursements

Wherever possible, suppliers of goods and services should be paid directly from the Association bank account, following the receipt of an invoice.

Reimbursements may be made to staff or executive, but only if the expenditure is pre-agreed by the general manager or president, within budget and where receipts/proof of payment are provided. Reimbursements will be paid via internet banking.

23. Petty Cash / Advances

The Association maintains a petty cash ledger so that staff and executive members can be given cash in advance to purchase goods for operational purposes. Each person being given cash, is required to sign for the cash when it is handed to them. The accounts clerk then reconciles any returned cash and receipts. Petty cash that has been given out is recorded as an advance in the accounts. The petty cash balance should not exceed \$500 unless there is a specific large expense that can only be paid for with cash.

24. Reception Receipts

The Association operates a till and Eftpos at the reception desk to take payments for Association services including club activities. The till float should not exceed \$200.

Cash that is received at the Association reception is recorded on the daily receipt sheet and on the till. Eftpos transactions are recorded similarly.

At the end of each day, till totals are checked against the daily receipt and Eftpos machine totals. Any cash that has been received is separated from the till float and stored in the Association safe.

The till draw is stored in the Association safe outside of normal business hours.

Daily cash movement is receipted into the accounting system by the accounts clerk.

Cash is banked to the bank account by the general manager using the bank deposit card. Cash should be banked monthly or once receipts exceed \$2000.

25. IRD Compliance

The accounts clerk is responsible for filing compliance documentation to the IRD. Documents are generated by accounting software.

- PAYE deductions, including Kiwisaver and withholding tax
- GST returns

Payments are authorised by the general manager and one other authoriser, usually the president.

26. Fixed Assets & Depreciation

Equipment that will last for longer than a year and with a cost of more than the IRD asset threshold will be entered to the fixed asset register. Equipment that costs less than the IRD threshold will be expensed in the year of purchase.

Accounting software will account for depreciation of assets on a monthly basis.

If assets are no longer required by the Association, the general manager will request permission from the Executive Committee to sell or otherwise dispose of the assets. The decision to dispose of the assets will be recorded as a motion in the committee meeting minutes.

27. Staff Payroll

MYOB is currently used for Association payroll.

Staff are required to keep daily timesheets and are paid on a fortnightly payment schedule on a Monday for the 2 weeks prior.

The accounts clerk enters timesheet details to the payroll system and produces pay slips to be checked by the general manager.

The software creates payment files for staff wages and IRD deductions.

Payments are authorised by the general manager and one other signatory, usually the president.

Holiday pay is accrued on a monthly basis. Annual leave should be actively managed to ensure staff welfare and limit risk to the Association.

Staff employment agreements allow for an annual review. Whilst a pay increase is not an entitlement, the Association agrees to act in good faith and endeavour to increase payrates annually in line with the Consumer Price Index rate.

28. Executive Honoraria

Executive honoraria payments are agreed at a general meeting of the Association prior to the election of the executive team.

A co-opted student is entitled to the honoraria for the position paid on a pro-rata basis for the period of the academic year which they hold. They are not entitled to any back payments relating to the amount of time the position has been vacated.

Executive honoraria will be paid using the Association payroll software. Executive members will be required to complete an IR330C form. Executive members are responsible for the payment of any ACC levies due.

The executive team should reach agreement with the general manager regarding a payment schedule for the honoraria. For efficiency purposes, honoraria payment will only be processed on staff payment dates (fortnightly) other than in exceptional circumstances when authorised by the general manager.

Executive members are to report their Association related activity to each executive committee meeting where honoraria payments are to be ratified by a motion recorded in the executive committee meeting minutes. Where there is a majority decision at an executive committee meeting that an executive member has not fulfilled the requirements of their position, the honoraria may be suspended.

10% of the Executive honoraria will be retained for payment on the acceptance by the executive committee of the executive member's end of year report.

29. Club Finances

The Association has a balance sheet account for each affiliated club. Clubs are required to renew their affiliation each year, with affiliation running from 1 April to 31 March.

Members' funds and grant funds are identified at a transaction level within the club's balance sheet account. Clubs can request a copy of their account at any time from the accounts clerk.

Club members can deposit funds to their club account by internet banking, providing the club name as a reference or by cash/Eftpos deposits at the Association reception.

To utilise club funds to either pay a supplier or reimburse a club member, two members of the club committee must sign a payment authorisation form, although a committee member may not authorise a reimbursement to themselves.

Cash is not usually to be given in advance to club members, but the general manager will have the discretion to do this provided two members of the club committee have authorised this and provided that all receipts for any previous cash advances have been properly and promptly provided.

Clubs are required to maintain their own asset registers.

Club Grants

The CSCG policy allows for up to 8 club grant rounds each year to which clubs may apply for funding. Grants are awarded by committee decision and a journal records this on the club balance sheet account. Use of grants is tracked and reported at each club grant committee meeting. Unused grant funds are returned to the grant pool. Refer Clubs, Societies and Cultural Group (CSCG) policy for full details.

Winding up a club

Should a club not re-affiliate or advise that it is to be wound-up, all assets are to be returned to the Association. If the assets were purchased with a club grant, they will be held in trust by the Association for the University. Any funds in the clubs' balance sheet account will be transferred to the Association's disaffiliated clubs account. Funds in the disaffiliated clubs account can be used to help similar clubs or for other club development projects. Any movement of funds to or from the disaffiliated clubs account must be agreed at an Executive Committee meeting and recorded by a motion in the meeting minutes.

30. Hardship Fund (SAP)

The Association administers the Student Assistance Program on behalf of the University and students can apply to the Association for financial support from this fund. Refer, Student Assistance Programme (SAP) policy for fund criteria and awarding procedures.

31. Accounts Receivable - Debtors

Invoices for Association services rendered and on behalf of clubs are to be created in the accounting software.

All overdue invoices are to be promptly and actively followed up for payment.

Where an invoice is past due more than 6 months, the general manager should recommend a course of action to the executive.

- Continue to actively follow up for payment
- Write off the debt (must be less than \$1000)
- Pass to collection agency

32. Accounts Payable - Creditors

Invoices for services purchased by the Association are to be entered to the accounting software and a digital copy of the source document is to be attached to the transaction.

Invoices are to be paid by their due date unless conditions of service have not been met.

Where possible invoices should be collated and paid in the 20th of the month payment run.

Invoices are to be authorised by the department manager ordering the service and the general manager.

Payment of invoices where possible should be via internet banking requiring 2 authorisations.

33. Donations

If donations are collected by the Association on behalf of another party, 100% of the funds collected will be paid to the intended party.

34. Dissolution of Association

As per the constitution and regulations section 15:

On the winding-up or dissolution of the Association, the surplus assets of the Association, after payment of all costs, debts and liabilities shall be handed to a charitable organisation of the majority of the members choosing, to be held upon trust and invested for the benefit of the student community until such time as a similar Association is formed PROVIDED THAT no such assets may be distributed to an association which permits members to receive personal pecuniary benefits or a distribution of assets on winding up, or whose rules may be altered to permit such benefits or distributions.