

# Mandurah Basketball Association

## Finance Policy/Procedure



<b>POLICY DOCUMENT:</b>	Finance Policy and Procedure
<b>POLICY VERSION:</b>	1
<b>DATE APPROVED:</b>	13/5/2019
<b>REVIEW DATE:</b>	14/5/2020
<b>NEXT REVIEW DATE:</b>	16/6/2022
<b>APPLIES TO the following Portfolios:</b>	All
<b>Other Relevant/Supporting Documents</b>	Purchase Request Form Refund Request Form Budget Template

**This policy/procedure applies to all Board members, Office Staff and Volunteers of Mandurah Basketball Association.**

### Our Commitment

The Finance Team is committed to delivering sound financial practices that are innovative and adaptive to the changing needs of the association.

This team is responsible for financial governance, finance reporting, budget oversight and liaison with Portfolio Directors, purchasing and financial strategy and procedures which includes approval, refunds, petty cash & reimbursements, banking, invoice generation, bill payments, coding and allocation, ATO requirements, and liaison with auditors.

The MBA Finance Team comprises of the following personnel:

Finance Director (FD) \*ideally with financial training

Operations Manager (OM)

Bookkeeper (BK)

Finance Committee Member(s) \*ideally to include an Accountant if the FD is not

### What we will do

#### 1. Financial Governance

The Finance team will prepare and review policies, procedures and processes pertaining to financial matters within MBA. Documents to be endorsed by the Board.

#### 2. Finance Reporting

The FD will present a finance report to the Board at monthly meetings. These reports are prepared by the FD or BK and are to include:

- Monthly summary including expense requests
- Bank balances for all accounts held at financial institutions
- Monthly P&L with comparison to previous year (MYOB)
- YTD P&L with comparison to previous year (MYOB)
- Monthly Unpaid Bills and Paid Bills Reports which include details of payee, description of payment and amount paid (MYOB)
- Unpaid Invoices Report (MYOB)

## **Budget Oversight**

The Finance team will compile annual previous season budget profiles to assist Portfolio Directors in preparation of upcoming budget forecasts. Portfolio Directors are to liaise through the FD to outline draft budgets before presentation to the Board.

The Finance Team will input budget actuals for up to date budget reports. All budgets must be approved by 30 June of every year. As Portfolio 'seasons' vary, budgets prepared June 30<sup>th</sup> will be subject to change when all relevant information is available.

Directors can provide details and breakdown the expense categories in further detail.

## **Budget Variation**

Any requests for Portfolio Directors to amend a budget (requesting more funds or changing amounts within their budget to another account) must be approved by the Board. A request for Budget Variation can be submitted to the next Board Meeting for approval.

## **3. Purchasing**

All Board members and the OM have authorisation to advise the Office to spend the amount outlined in the approved budget where the Board has approved the detailed expenditure.

Note, just because the line item is approved does not authorise the Portfolio Director to make payment. If the line item has been detailed and the purchase has been broken down that itemises the type of expenditure, then the purchase can be requested to the Office.

Directors must not directly purchase any items. Any purchase requests will go through the Office to purchase to ensure all procedures are followed. The MBA Purchase Request Form will be submitted to the Office in all cases.

Any budget line items that are not itemised and broken down (which can arise from a number of reasons including not knowing how much each component will cost at the time, or what the components will comprise of) will need to be approved by the Board before purchase can proceed. Approval can be at a meeting or via email circulation if considered more urgent. Expenses not approved are either added to a waiting / wish list or discarded.

All requests with appropriate paperwork attached are to be forwarded to the MBA office for placement of order. This ensures consistency, knowledge in the MBA office and a satisfactory paper trail for auditing requirements. All items eg: merchandise, should be paid in full prior to collection.

Any purchase by the Office that are not related to Portfolio Directors budgets must be approved by the President and must ensure that a MBA Purchase Request Form is completed and submitted to the President before purchase is made.

Any arrangement outside this process is to be Board approved.

Before any purchase both the Board and employees of MBA must consider:

- Technical aspects of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- Whole of life cycle costs or for the contract including transaction costs, replacement costs, delivery, storage, maintenance and disposal;
- Competency, compliance and skills of the prospective;
- Depreciation of the item and how this cost can be recouped via Member Fees or other means (if applicable);
- Financial viability and capacity to supply without risk of default; and
- Other risk factors that may impact on life-cycle costs and value.

Monetary Threshold	Purchasing Method Required
Up to \$1,000	Two (2) verbal or written quotations to be sought unless sponsorship agreement / preferred provider in place
Over \$1,000	Three (3) verbal written quotations to be sought

### **Integrity, Ethics and Probity**

All employees of MBA and the Board will ensure that the highest standards of integrity, ethics and probity in undertaking procurement activity and act in an honest and professional manner that does not compromise the standing of MBA.

The following principles, standards and behaviours must be observed and enforced through all stages of the procurement process to ensure the fair and equitable treatment of all parties:

- Full accountability must be taken for all procurement decisions and the efficient, effective and proper expenditure of monies are based on achieving value for money;
- All procurement practices must comply with legal, operational and ethical requirements consistent with relevant legislation and regulations;
- Procurement is to be undertaken on a competitive basis (except where otherwise authorised by the Board) in which potential suppliers are treated impartially, honestly and consistently regarding all information, advice, preferences and concessions;
- All processes, evaluations and decisions shall be transparent, free from bias and fully documented;
- Any actual or perceived conflicts of interest are to be identified, declared and the officer removed from the respective procurement process; and
- Appropriate processes for the receipt and management of supplier information must be maintained in accordance with audit requirements.

### **Local Content**

Wherever practicable the MBA will invite local suppliers from within the Peel region to provide applicable goods and services. A local supplier is defined as an organisation that operates from permanently staffed premises within the Peel region.

## **4. Payment Approvals**

The process for payment of invoices is as follows:

- Invoices (rosters or time sheets) are sent to the office and coded/allocated by OM. Approval to pay to be signed by Directors where applicable.
- Inputted into MYOB and the bank by the BK.
- OM to check that bank details, amounts paid are correct and the OM signs that all payments are in accordance with the MBA Financial Policy and Board approval.
- BK advises two authorised signatories that payments are ready to be authorised and confirm that the OM has approved for payment.
- Paid by two authorised signatories through internet banking (online banking or by signed cheque)
- BK to scan and attach a copy of the corresponding payment invoice and/or Purchase Order to the payment request in MYOB
- Filed by BK

Co-authorisation through the bank is required and all bank accounts must require two people to authorise for release of payments. This control ensures that there is accountability and transparency and reduces the risk of fraud and misappropriation of funds.

## **5. Refunds**

A Refund Request Form must be completed and submitted to the MBA office for consideration and approval of refunds.

At the commencement of Domestic and WABL seasons, player refunds / pro rata amounts are to be set and approved with each Portfolio Director to ensure consistency in administering refunds. SportsTG and Trybookings amounts will not be refundable (unless MBA error). Refund amounts will vary depending on whether a withdrawing participant can be replaced, when the withdrawal occurs and the fixed costs per program. Not all refund requests will be approved eg: changes of mind, and will be influenced by number of games played.

All refund requests must be authorised by the OM and the relevant Portfolio Director.

## **6. Petty Cash / Reimbursements**

MBA does not hold cash on site where possible. A debit card is held in the office for small purchases and must follow the same Purchasing procedures. Any such use of the debit card by volunteers should be preapproved. Office staff, Board members and volunteers should be discouraged from purchasing items and submitting a reimbursement request, although at times, this is necessary. Proof of purchase and OM or Director approval required.

## **7. Banking**

MBA banks with NAB and the FD and BK have access to the accounts. There is a general account with the debit card linked and a term deposit account(s).

The BK makes day to day cash deposits into the bank.

The FD (along with another account signatory from the Board) can make changes to the accounts eg: Term Deposit amounts, by appointment only.

## **8. Reconciling Payments**

The BK will allocate all deposits made directly into the MBA Bank Account and confirm allocations with OM. OM will allocate all payments from Sports TG, Trybookings and KidSport.

## **9. Invoicing**

The BK and OM will raise invoices on MYOB and the BK will finalise an invoice as paid.

For overdue invoices, in particular regarding player payments, a player is deemed ineligible to participate any further as of the due date.

To seek out payments the following steps are to be taken;

- First contact is an immediate reminder email
- Second contact is a phone call, where possible, within approximately 2 weeks of due date (note details of call on the MYOB invoice NOTES box)
- Final written notice sent advising of non financial status and ineligibility to participate or attend any MBA activities (note details of call on the MYOB invoices NOTESbox)
- BK will maintain a record of non-financial players and present this monthly to the Board

At the end of the financial year, a review of outstanding invoices will be undertaken. A write-off of invoices will only occur if the board approve this. It is not recommended to write off any invoices where it is likely that the person will want to participate in future competitions. A provision of doubtful debts can be identified through the presentation of the financial statements for all unlikely payments and will avoid having to write off any outstanding invoices in the MYOB system. Where a write-off has occurred as a result of Board approval, the Office will maintain a ledger of these outstanding accounts and the players cannot participate further/again until payment is received.

*The Office cannot delete or write off any invoices unless the Board has approved this. Even if there is an error for an invoice, the invoice cannot be deleted until the Board has issued an approval to do so.*

#### **10. ATO Requirements**

The FD (or MBA Accountant) prepares the quarterly BAS statements and Annual PAYG report. Any documentation or reporting requirements for the ATO must be checked by the FD (or MBA Accountant) before submitting. The BK can submit any documentation to the ATO once approved by the FD (or MBA Accountant).

#### **11. Audit Requirements**

MBA is fully audited annually by Accounting firm Ward Illsley. All information is sent to the auditors by 31 July of the end of the financial year. Generally, it takes 8 weeks for the auditors to complete their audit, however each year it is recommended to discuss the turnaround time with the auditors prior to setting the date for the AGM.

The Finance Team liaises with the auditor as required in order to prepare accounts and answer queries. The auditor provides recommendations to assist financial transparency, compliance and security.