



Finance Policy and Procedure Manual

AUTHORISATION FOR USE

This edition of the Finance Policy
Edition B – Revision 2 is approved for issue by
Finance Director

Signature: _____ Date: ____/____/____



Table of Contents

1. Documents Control Chart.....	5
2. Introduction.....	5
3. Finance Authorisation Policy.....	6
3.1. Purpose of the Policy.....	7
3.2. Procedures.....	7
4. Bank Account Policy.....	9
4.1. Purpose of the Policy.....	9
4.2. Procedures.....	9
4.3. Variations to Bank Account Terms and Conditions.....	10
4.4. Closing Bank Accounts.....	10
4.5. Bank Account Transactions.....	10
5. 4. Petty Cash Policy.....	12
5.1. Purpose of the Policy.....	12
5.2. Procedures	12
5.3. Issuing Petty Cash	12
5.4. Reconciling Petty Cash.....	12
6. Use of Business Credit Card Policy.....	14
Purpose of the Policy	14
Procedures	14
7. New Supplier Policy.....	15
7.1. Purpose of the Policy.....	15
7.2. Procedures.....	15
7.3. Choosing a New Supplier.....	15
7.4. Supplier Selection Background Information.....	15



7.5. Supplier Selection Review Checklist.....	15
7.6. Appointment of Supplier.....	16
7.7. Supplier Payment Terms.....	16
8. Purchasing Policy.....	18
8.1. Purpose of the Policy.....	18
8.2. Procedures.....	18
8.3. Request for Purchase.....	18
Equipment Asset Purchases	19
8.4. Service Agreements.....	19
Receipt of Purchases	19
8.5. Additional Policies for Purchasing.....	19
9. Stock Control Policy.....	20
9.1. Purpose of the Policy.....	20
9.2. Procedures.....	20
9.3. Purchase of Stock.....	20
9.4. Receiving Stock.....	21
9.5. Managing Stock.....	21
9.6. Additional Policies for Stock Control Policy.....	22
10. New Customer Policy.....	23
10.1. Purpose of the Policy.....	23
10.2. Procedures.....	23
10.3. Choosing a New Customer.....	23



10.4. Customer Background Information.....	23
10.5. Customer Review checklist.....	23
10.6. Appointment of Customer.....	24
10.7. Customer Credit Terms.....	24
10.8. Additional Policies for Customers.....	24
11. Customer Credit Limit Policy.....	25
11.1. Purpose of the policy.....	25
11.2. Procedures.....	25
11.3. Review outstanding orders and sale history.....	25
11.4. Credit limit is breached due to outstanding payments.....	25
11.5. Review payment terms for the customer.....	26
12. Customer Debt Collection Policy.....	27
12.1. Purpose of the Policy.....	27
12.2. Procedures.....	27



1. Documents Control Chart

Document Name	Doc No	Edition / Revision	Date
Finance Policy		1	07 August 2018
Customer Debt Collection Policy	12	1.1	13 th August 2018
Management of Stock Policy	9	1.1	13 th August 2018



2. Introduction

The Hills Football Incorporated Financial Policy and Procedure Manual provide the policies and procedures for finance transactions within the business which must be followed by all members. It also provides guidelines Hills Football will use to administer these policies, with the correct procedure to follow.

Hills Football will keep all financial policies current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

These policies and procedures apply to all employees, suppliers, customers, consultants, members and member clubs from the date it has been approved by Board.

In clause 10, Member Clubs agree and acknowledge that they are bound by and will comply with the Constitution, the Regulations and FNSW's and FFA's constitutions, by-laws, statutes and regulations as well as any determination, resolution or policy passed by the Board.



3. Finance Authorisation Policy

Policy Date: March 22 2018

Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken.

This policy is to be read in conjunction with other specific finance policies where relevant.

Procedures

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction.

Where additional policy is noted, this policy must also be adhered to when undertaking the finance transaction.

Finance Transaction	Authorised Person
Bank Accounts	Finance Director Chairperson
Issuing Petty Cash	General Manager
Business Credit Card	Not Applicable
Authorising New Customers	Finance Director
Authorising New Suppliers	General Manager Finance Director
Purchasing Stock	General Manager Director of Referees



Finance Transaction	Authorised Person
Purchasing Assets/ Equipment	General Manager Finance Director Chairperson
Debt Collection	General Manager Finance Director
Payment of Invoices	General Manager Finance Director Nominated Director



4. Bank Account Policy

Policy Date: March 22 2018

Purpose of the Policy

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

Procedures

Opening Bank Accounts

Any new bank accounts to be opened for the business must have the authorisation of Finance Director.

For each new bank account opened, the financial system must be updated and the bank account registered by Finance Director.

Bank Account Authorisations

For monies withdrawn from any bank account, whether by cheque, EFT or other online payment method, there must be two persons authorising for each payment.

The authorised persons for bank account payments are:

- Vargha Zare – Finance Director
- Bill Renton – Director
- Craig Gough – Director

Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.



Variations to Bank Account Terms and Conditions

Any variations to banking arrangements can be made or varied by Finance Director.

Finance Director is responsible for updating the financial system and/or bank account register with the new information.

Closing Bank Accounts

Where it is decided that a bank account is no longer necessary, Finance Director will authorise the closure of the bank account.

The Finance Director in coordination with the Book Keeper will then be required to complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by two authorised signatories advising of the closure of the account;
- meet the bank's requirements with respect to account closure; and
- update the financial system and bank account register.

Bank Account Transactions

All deposits received must be banked within three (3) calendar days.

Unallocated direct deposits of more than one month will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated to 'suspense account' to keep these funds separate and identifiable.

Cheques outstanding for more than twelve (12) months in line with banks policy will be reallocated back to the business through the financial system.

Where a payment stop on a cheque is required, this will be authorised by Finance Director.

Finance Director will be responsible for carrying out the following duties in regards to payment stop on a cheque:

- ensuring the cheque has not already been presented at the bank;



- getting authorisation to action the stop payment using appropriate forms from the bank;
- ensuring the bank receives notification of the stop payment notice;
- receiving confirmation of action from the bank of the stop payment; and
- ensuring the details of the stop payment are kept in the stop payment folder.



5. Petty Cash Policy

Policy Date: March 2018

Purpose of the Policy

Petty cash should be used to pay for small business expenses up to \$100 where payments through accounts payable or credit card are not justified or appropriate

Procedures

Issuing Petty Cash

Petty cash vouchers must be completed before any cash is taken from the petty cash float.

Only up to \$250.00 can be disbursed at any one time.

All petty cash vouchers issued must be approved by General Manager.

Once the petty cash is spent, a receipt or invoice should be attached to the voucher and returned to petty cash with any balance of monies unspent

All completed vouchers must have the following details included:

- Issue date of voucher;
- Name of person issued the voucher;
- Amount of monies disbursed;
- Details of expense;
- Invoice or receipt; and
- Signature of approval person,

Reconciling Petty Cash

Petty cash float is to be reconciled monthly. This is the responsibility of General Manager.



All petty cash expenditure must be entered into the financial system once the petty cash has been reconciled.

The balance of monies and vouchers must equal the petty cash float amount before reimbursement can be made.

Reimbursement of petty cash will be authorised by Finance Director.



6. Use of Business Credit Card Policy

Policy Date: March 22 2018

Purpose of the Policy

This policy provides guidelines for the issue and use of business credit cards.

Procedures

Hills Football Incorporated Board of Directors voted in March 2017 to not permit the use of Credit Cards by any person. It felt that the Association was able to operate at this time without the need of Credit Cards.

The Board reserves the right to amend this decision at later point in time pending the needs of the Association.



7. New Supplier Policy

Policy Date: March 2018

Purpose of the Policy

All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

Procedures

Choosing a New Supplier

A new supplier must provide our business with such as quality product, great service, competitive pricing, efficient delivery and reasonable payment terms.

For each new supplier the following information table must be completed prior to agreeing services

Supplier Selection Background Information

Business Name of Supplier: _____

Location of Supplier: _____

Products/Services provided by supplier: _____
(Attach a list if necessary)

Name of business owner/ sales representative: _____

How many years has the supplier been trading?: _____

Supplier Selection Review Checklist

For each new supplier being considered the following checklist must be completed

Is the supplier pricing competitive? Attach list to this checklist: _____

What are the payment terms for this supplier? _____

What is the return policy for this supplier: _____



Does the supplier provide warranties, guarantees etc.? : _____

Are the suppliers representatives knowledgeable of the products/ services and industry?: _____

Is there an alternative to this supplier, has the alternative supplier been considered?: _____

What are the delivery services of the supplier?: _____

Has a credit check been undertaken for the supplier (attach to this checklist) : _____

Has the Personal Property Securities Register (PPSR). been reviewed: _____

Has the supplier been trade checked (attach this to this checklist): _____

Appointment of Supplier

The appointment of a new supplier will be authorised by Finance Director.

All relevant details of the supplier will be entered into the financial system by General Manager once approval is obtained from Finance Director.

Book Keeper will review information entered into the financial system and independently verify the bank account or other payment details of the supplier to ensure payments made are to the correct supplier

The purchasing department will be notified within one week of the new supplier being approved.

Supplier Payment Terms

All purchases from suppliers must be supported by a purchase order – refer to the [Purchasing](#) and [Stock control](#) policy

Payment terms for all suppliers must be reviewed by Finance Director once a year. Following this review each supplier must be approached to seek improved payment terms by General Manager.

All supplier payment terms must be a minimum of fourteen (14) days.

Any variation to the above must be authorised by Finance Director.



All supplier payments are to be reviewed once a quarter to ensure that payment terms are adhered to. For payments made to any suppliers earlier or later than the agreed terms General Manager will prepare a report that details the reasons why payment terms have not been adhered to.

This report will be reviewed and authorised by Finance Director.



8. Purchasing Policy

Policy Date: March 22 2018

Purpose of the Policy

This policy provides guidelines for the purchase of goods, services, equipment and assets for the business.

This policy is applicable for all purchases over \$250.00. Where items to be purchased are less than \$250.00, then the petty cash policy is to be used.

Procedures

Request for Purchase

All purchases for business items must be requested through a purchase order.

All items over the value of \$250.00 must be supplied by authorised suppliers – refer to the New Suppliers Policy where the supplier is not an existing supplier. For items over the value of \$2,000.00 three (3) quotations must be provided.

A request for purchase must address the following criteria:

- Purchasing that promotes environmental sustainability;
- Value for money; and
- Preference to Australian/locally produced.

All purchase orders must be authorised within the following guidelines:

Items Purchased	Persons Authorised	Second Authorisation
Retail Stock	General Manager	Finance Director
Equipment	General Manager	Finance Director
Assets	General Manager	Finance Director



All authorised purchase orders are to be copied and one distributed to accounts payable with estimated payment date and one to book keeper who will check receipt of purchase against the purchase order when received.

Equipment Asset Purchases

All equipment and asset purchases must be entered in the financial system by General Manager with the following details included:

- Date of purchase;
- Supplier; and
- Make, model, warranty/guarantee information.

Service Agreements

All agreements for the provision of services to the business in excess of \$250.00 are to abide by this policy.

Receipt of Purchases

All purchases received are to be checked against purchase order and noted as correctly supplied.

Once correct receipt has been recorded, this will be recorded on purchase order and forwarded to accounts payable for payment of purchase.

Additional Policies for Purchasing

- Petty Cash Policy
- Stock Control Policy



9. Stock Control Policy

Policy Date: March 22 2018

Purpose of the Policy

This policy provides guidelines for monitoring and managing the amount of stock within the business to ensure that there are suitable levels of stock available to customers at all times. This policy covers stock in storage.

It is the General Manager's responsibility to ensure that the stock control policy is adhered to by all employees.

Procedures

Purchase of Stock

It is General Manager responsibility to:

- 1) Identify core stock and ensure that appropriate levels are held at all times
- 2) Monitor all stock levels and 'stock turns' (how many times stock turns over in a year)
- 3) For fast-moving stock negotiate with suppliers for 'just in time' deliveries where possible
- 4) Regularly review sales budgets and order necessary stock in line with budgets
- 5) Negotiate with suppliers for best price, quality, delivery methods and returns policy
- 6) Order all stock required
- 7) Maintain "preferred suppliers" list
- 8) Keep up to date with customer and market trends and seek out new product for recommendation to the Finance Director.

Purchase of all stock must be authorised by Finance Director.

All stock purchases must be requested by using a purchase order form and adhere to the purchasing policy.



Receiving Stock

When stock is received from the supplier, it is General Manager responsibility to:

- Review delivered items to delivery docket, including quantity, quality and completeness of order
- Match delivery docket to purchase order
- Follow up and ensure correct stock order will be received where there is {insert possible issues on delivery such as under/over-supply, damaged goods etc.}
- Store the stock securely and in appropriate area
- Update all stock records for receipt of goods

Managing Stock

It is the General Managers responsibility to:

- Identify core stock and ensure that appropriate levels are held at all times
- Monitor all stock levels and stock turns
- Regularly review sales budgets and ensure that stock is ordered in line with budgets
- Understand each stock item – which items are the fast and slow moving stock
- Monitor re-order levels and ensure orders are placed in adequate time to reduce non-availability of core or necessary stock items
- Ensure that all stock items are priced in line with Market Rates
- Ensure that all staff are aware of new product, price changes and procedures for accurate recording of all stock movements
- Ensure that there are adequate controls (physical and administrative) in place to minimise theft and/or waste of all stock items



- Organise and oversee physical stock take yearly and match records of stock take to administrative and financial records

It is all sales employees' responsibility to:

- Identify core stock and ensure that appropriate levels are held at all times
- Raise purchase orders for low levels of stock
- Understand the importance of good stock control
- Keep up to date with stock pricing and new products
- Ensure that all stock records are kept accurately
- Ensure that all stock is securely stored to minimise theft and wastage

Additional Policies for Stock Control Policy

- Purchasing Policy
- Finance Authorisation Policy
- New Supplier Policy



10. New Customer Policy

Policy Date: March 22 2018

Purpose of the Policy

All new customers to the business must be reviewed and accepted in accordance with this policy. This policy is to be read together with [Customer Credit Limits Policy](#).

Procedures

Choosing a New Customer

A new customer must support our business with {insert the priorities required from your customers, such as good credit quality, prompt payers, etc.

For each new customer the following information table must be completed prior to agreeing services

Customer Background Information

Business Name of Customer:

Location of Customer:

Products/Services required by customer:
(Attach a list if necessary)

Name of business owner/ sales representative:

How many years has the customer been trading?:

Customer Review checklist

For each new customer being considered the following checklist must be completed

Have trade references been sourced for the new customer:
(Attach copies)

Has the customer been informed of the trade terms of 14 days from invoice and agreed to these terms?:



Has the new customer completed a credit application form?:
(Attach completed form)

Has the Personal Property Securities Register (PPSR) been reviewed?:

Appointment of Customer

The appointment of a new customer will be authorised by Finance Director.

Each new customer will have a credit limit set. This credit limit will be set in accordance with the Customer Credit Limits policy

All new customers must be given the [New Customer Letter](#) which must be signed and returned by the customer before any sales are to take place.

All relevant details of the new customer will be entered into the financial system by General Manager once approval is obtained from Finance Director.

Finance Director will review information entered into the financial system to ensure all information is correct.

Customer Credit Terms

All customer payment terms must be fourteen (14) days.

Where a customer has requested longer payment terms than the policy, this should be referred to and authorised by Finance Director.

All customer payments are to be reviewed once a quarter to ensure that payment terms are adhered to. For payments made outside of the agreed terms General Manager will prepare a report that details the reasons why payment terms have not been adhered to.

This report will be reviewed and authorised by Finance Director.

Additional Policies for Customers

- Customer Credit Limits Policy
- Customer Debt Collection Policy
- Customer Service Policy



11. Customer Credit Limit Policy

Policy Date: March 22 2018

Purpose of the policy

This policy is to make sure a customer doesn't get too far into debt with you without a payment plan being put into place or work stopped.

Procedures

Reports on customer credit must be run monthly.

When a credit limit is breached all relevant persons will be notified. This includes General Manager, Finance Director and Board of Directors.

Any current outstanding orders should be stopped until the breach in the credit limit has been rectified. All staff working on the order or sale Book Keeper / Accounts collection for the customer should not carry out further work until authorised by General Manager.

Review outstanding orders and sale history

If the customer has a large number of orders outstanding or has increased the volume of orders since the last credit review, then a review of the credit limit must be undertaken.

This is the responsibility of Finance Director.

Credit limit is breached due to outstanding payments

General Manager must make a list of all outstanding payments.

General Manager must ring the customer and explain that further orders cannot be processed until the account has been paid. Explain that a payment will need to be made before the next order can be processed.

If the customer is having difficulty, make a schedule of payments to bring them back in line with their credit limit.

Get the signoff of Finance Director before discussing this option with the customer.



Review payment terms for the customer

If the customer has increased the volume or value of orders since the last credit review, the payment terms must also be reviewed by Finance Director.

Where large orders are being placed then the payment terms should include deposit on order and/or progressive payments for each order. This must be discussed and agreed with the Finance Director.



12. Customer Debt Collection Policy

Policy Date: 22 March 2018

Purpose of the Policy

This policy provides guidelines for the collection of late payments from customers.

Procedures

An aging debtor report is to be run monthly. All overdue customer payments are to be noted and the following procedures undertaken until recovery of outstanding amounts.

1. **First Contact:** Once the payment is overdue phone or email the customer. Remind them that payment is due and has not been received. Ask them when they will be paying and keep a record of the conversation or email.
2. **Overdue reminder:** If they do not respond to the phone call or email, try contacting someone else in the business. Let them know who you are trying to contact. This often results in a return response from either the person you were trying to contact or someone else from the business. Make a note of all conversation details on the overdue customer payment record. Send them an Overdue Reminder Notice either by email or phone.
3. **Final notice:** When a payment is overdue for ten (10) days from the date the Overdue Reminder Notice being sent a final notice is to be sent either by phone or email. A record of this notice must be entered onto the overdue customer payment record. In this Final Notice the Customer is to be notified of interest accrued to date and the consequences for failing to pay invoice.
 - **Direct contact:** If the debt is still outstanding and an arrangement has not been made between the Customer and the Finance Director to finalise and pay outstanding debt within fourteen (14) days then Finance Director/General Manager must notify Member Clubs at the next General Meeting and advise Board. The purpose of this step is to secure a date of payment. A record of this notice must be entered



onto the overdue customer payment record. The Board may at their discretion then look to impose the sanctions and actions noted below.

- **Formal letter of demand:** Where payment remains outstanding and there has been an unsatisfactory response from the Customer then Letter of Demand is to be sent, and the Finance Director is to make contact with a debt collection agency with intention to appoint them to recover the debt.
- **Consequence of Failing to Pay Notice** – Prior to fifty (50) days of Invoice being issued will result in the supplier, member club being ineligible for club champion points, champion of champions positions, participation in finals football and any voting rights at ACM, SGM or AGM meetings.
- **Calculating Interest Payable for late payments** - Interest is payable at the general interest rate found on the ATO website + 10%. The interest is calculated in respect of each day from the day after payment was due up to and including the day payment was made. If the maximum payment terms fall on a non-business day, payment is not due until the next business day.
 - Interest will be calculated on GST inclusive amounts, however interest itself is not subject to GST.