



**Australian  
Taekwondo  
QLD**

SPORTS TAEKWONDO QUEENSLAND INC.  
TRADING AS  
AUSTRALIAN TAEKWONDO QUEENSLAND

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# FINANCE POLICY

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## DOCUMENT MANAGEMENT

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<b>1.0</b>	Created Jul 19	Initial policy drafted – forwarded for board perusal	
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## INTRODUCTION

Australian Taekwondo Queensland (ATQ) is committed to timely, accurate and responsible financial management. The Board of Directors and staff work together to ensure that all financial matters are managed with care, integrity, and consistency with the best interests ATQ and our members

### Purpose

This policy is designed to:

- protect the assets of ATQ;
- ensure the maintenance of accurate and transparent records of ATQs financial activities;
- provide a framework of financial management procedures and behavioral expectations; and,
- ensure compliance with federal, state, and local legal and reporting requirements.

### Responsibilities

#### Board of Directors

The Board of Directors has the responsibility to:

- create and amend financial management procedures and controls
- appoint a suitably qualified person to the role of Treasurer
- establish a financial sub-committee if needed
- determine an approved annual budget and make spending decisions within the parameters of that budget
- employ and terminate personnel
- determine wage levels
- make decisions regarding the duties and accountabilities of personnel and the delegation of decision-making authority
- enter into contractual agreements within board designated parameters

#### Treasurer

The Treasurer has the responsibility to:

- apply these financial management procedures and controls
- perform regular, in-depth reviews of the organisation's financial activity
- oversee the development of an approved budget for the year
- appoint a suitably qualified auditor

### Financial Management Procedures

#### General Accounting Policies

The accounting system follows general accepted accounting policies (GAAP).

Financial statements are prepared using the cash basis of accounting.

The fiscal year is January 1 through December 31.

#### Administration

Financial duties and responsibilities are separated so that no one office bearer or employee has sole control over cash receipts, disbursements, payroll, reconciliation of bank accounts, or any critical accounting function.

The Treasurer has primary responsibility for designing and maintaining the accounting system. Bookkeeping support may be provided by other staff as designated.

The accounting records are updated regularly and subject to the oversight of the Treasurer or Board of Directors on at least a monthly basis.

A filing system accessible to the Treasurer is maintained for all financial records. This filing system may be electronic or paper, or both.

### **Budgets**

An annual budget for the year is prepared by the Treasurer and approved by the Board, prior to the beginning of the fiscal year if possible.

The budget is reviewed mid-year as a minimum and is adjusted as necessary to reflect changing conditions. The Board of Directors approves changes to the budget which exceed 50% of the line item or \$1000.

The budget is compared to the monthly financial results in order to monitor the actual results against the plan.

### **Financial reports**

Monthly financial reports for the year to date are completed and presented to the Board of Directors within 30 days of the close of the period. As a minimum, these reports will include:

- a financial overview
- profit & loss statement
- balance sheet.

### **Audits**

An independent auditor is appointed to conduct an annual audit after the close of each fiscal year. The audit covers the fiscal year of January 1st through December 31st.

The Auditor prepares an Audit Report which is presented to the Board by the Treasurer.

Copies of the annual audited accounts are provided to all stakeholders in accordance with agreements in effect.

### **Banking & Investments**

The Board of Directors chooses a financial institution which provides the most appropriate service. Separate bank accounts may be maintained for different activities with at an operating account as a minimum.

The operating account will maintain sufficient funds to meet all anticipated expenditures.

It is not the objective of STQ INC to actually invest funds.

However, if there are funds surplus to our current needs they may be invested. The investment objectives of ATQ in order of importance are the safety of funds, liquidity, and a competitive rate of return.

Investments are at the discretion of the Board of Directors and consideration should be given to issues such as quality, diversification requirements, or social when investing funds.

The Treasurer has primary responsibility for advising the Board on investment policy and for establishing any specific guidelines as to the mix and quality of the investment account(s).

### Petty Cash

A petty cash account can be kept at the discretion of the Board of Directors. Petty cash is used only when it is necessary to pay for goods or services by someone who cannot accept a cheque or bank transfer, and to provide an adequate amount of change at events where cash is accepted. An acquittal form is to be completed for each transaction and a receipt attached to the acquittal form.

Petty cash is to be securely held in an appropriate storage device e.g a cash tin that can be locked and then needs to be secured.

Petty cash disbursements are limited to no more than \$100.00.

Total petty cash funds do not exceed \$500.00, except where more funds are needed for change at events. When funds drop below \$50.00, the Treasurer may replenish the account by completing a requisition form and withdrawing the funds at the organisation's bank. The funds are then to be put back into the cash tin. Full documentation for this deposit should be retained.

Petty cash can be disbursed only with the approval of the Treasurer however final approval for all expenditure lies with Board. Petty cash requisitions are reviewed and coded by the Treasurer.

The petty cash account is to be reconciled by the Treasurer prior to replenishment and at least monthly.

### Expenditure

All expenditure incurred must be for official ATQ purposes only and must be aligned with the approved annual budget.

Expenditure outside the budget can be proposed by any member of the Board of Directors. These proposals must be approved by the Board of Directors prior to payment.

Expenditure that is aligned with the approved annual budget and is greater than \$500 are required to be approved by at least two other members of the Board of Directors.

Directors are permitted to incur expenditure up to \$500 provided it is for official ATQ activities.

In seeking value for money for the members ATQ must seek three quotations for purchases greater than \$2,000 where at least three suppliers are available for that service or product.

Whenever possible, separate persons are responsible for coding, preparing, and authorising any expenditure.

Invoices are to be paid in a timely manner in accordance with the vendors payment terms to avoid any late penalty charges applying.

### Deposits

Whenever possible, persons receiving funds are other than the person tabulating and preparing the deposits. Also, the person tabulating and preparing the deposits should be other than the person recording the deposits.

In general, deposits must be made daily. If deposits cannot be made daily the funds must be secured appropriately and deposited the next business day.

All funds are deposited in the assigned financial institution, with the exception of petty cash (see 9.0 Petty Cash).

### Payment Authorisations

The Board appoints the signatories to the accounts. The signatories must be independent of those officers that record the finance transactions. Two account signatories to are required to authorise all payments.

Blank cheques are never to be signed.

### Reimbursements

An ATQ expenditure voucher form is to be prepared and approved when any officer is requesting personal reimbursement for ATQ expenses. Relevant tax invoices and receipts must be provided.

These reimbursements must be approved by two account signatories.

### Accounts Receivable

Invoices for grants receivable are issued as soon as practical in accordance with the terms of the grant agreement or contract. A copy of each invoice is kept in the appropriate grant A/R file with a notation of the date it was sent. When payment is deposited, the invoice is then notated with the date paid and marked "PAID."

Invoices for other accounts receivable are kept in a general A/R file. When payment is deposited, these invoices are marked "PAID".

### Goods and Services Tax (GST)

STQ INC has an ABN and is registered for goods and services tax.

A Business Activity Statement is to be prepared quarterly by the Treasurer and is used to report and pay the Goods and Services Tax obligations and claim any input tax credit entitlements.

The Business Activity Statement is used to report and pay PAYG instalments and PAYG withholdings.

### Account Reconciliations

Bank reconciliations are to be done monthly and are completed by the Treasurer.

All other balance sheet accounts are to be reconciled at least quarterly.

### Conflict of Interest

Purchases of goods or services are not made from any employee or director of the organisation. Members of the Board of Directors declare any conflict of interest with regard to financial terms.

Purchase of personal items for employees or directors is not permitted.

### Capital Expenditure

Tangible assets exceeding \$1,000 and expected to last longer than a year are classified as capital assets and included in an inventory record. The capital assets inventory record contains descriptions, serial numbers, dates of purchase or receipt, valuations, dates of valuation and item locations.

A depreciation schedule is to be prepared annually by the auditing firm.

### Donations

Donated capital assets are recorded at fair market value if it can be reasonably estimated. The nature and amount of the donated capital assets is disclosed.

The value of donated materials and services is recorded at a reasonable estimate. The value does not exceed the value at which the organisation could have purchased those materials and services.

## Payroll

All employee salary and wage rates are authorised by the Board of Directors and must be in accordance with any applicable State Award. All changes in employment are also to be approved by the Board of Directors.

Employees are paid on a monthly basis. Payments to staff for salary advances and transactions outside of normal hours are processed as part of wages.

All employees (hourly and salaried) are responsible for submitting completed time sheets on a weekly basis, with final time sheets due on each employee's last working day of the month. All time sheets must be signed and dated by employees and endorsed by the Chair of the Board of Directors. Incomplete time sheets are returned to employees for correction.

Personnel records must be kept for all current staff.

## Employee Entitlements & Benefits

Certain employees are entitled to employee entitlements and benefits. STQ INC is responsible for ensuring all employees received all employee entitlements and benefits they are required to receive under appropriate legislation.

Entitlements and Benefits provided by STQ INC may include:

- Annual Leave
- Long Service Leave
- family leave and bereavement time.
- Other leave
- Superannuation
- Work Cover

A more comprehensive list can be located in the ATQ HR Policies.



## APPENDIX A – Business Record Retention Schedule

Accident Reports and Claims (settled cases) 7 years

Accounts Payable Records 7 years

Accounts Receivable Records 7 years

Audit Reports Permanently

Articles of Incorporation Permanently

Annual Audit Reports Permanently

Bank Statements and Reconciliations 3 years

Budgets 10 years

Bylaws Permanently

Cash Receipt Records 7 years

Checks (cancelled) 7 years

Checks for important payments such as taxes, special contracts, etc. should be filed with the papers pertaining to the transaction and kept Permanently

Contracts & Leases (expired) 7 years

Contracts & Leases (active) Permanently

Corporation Reports Permanently

Correspondence with vendors 1 year

Correspondence (general) 3 years

Correspondence (legal) Permanently

Disbursement Requests 7 years

Deposit Slip Duplicates 2 years

Employee Records (after termination) Permanently

Employment Applications 3 years

Financial Statements Permanently

Fixed Assets Records Permanently

Grant Award Letters 10 years

Insurance Records, Accident Reports, Claims, Policies, Certificates Permanently

Invoices 7 years

Leases (after expiration) 6 years

Journals Permanently

Minutes Permanently

Payroll Records 6 years

Property Records Permanently

Purchase Orders 7 years

Tax-exempt status documents and all documents and correspondence  
dealing with the IRS Permanently