



Financial Stewardship Policy (Board)

Policy Number:	BO-032		
Date Approved:	February 2014	Approved By:	The Board
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Version 1			

1. Aim

The role of the Board is to ensure that the mission of Breakaway is developed and safeguarded in an integrated way through the governance and financial management structures of the organisation.

2. Scope

This policy applies to employees and volunteers of Breakaway including members of the Breakaway Board.

3. Policy

3.1 Financial Stewardship

- The Board ensures that it has financial policies that reflect the organisation's mission, philosophy and that assist it to achieve its goals.
- The Board has the ultimate responsibility to ensure that sufficient funds are always available to meet the financial commitments and obligations as they fall due.
- Having financial policies and receiving regular financial reports are the means by which the Board monitors the financial performance of the organisation.

3.2 Financial Planning & Budgeting

- The Board ensures that financial planning occurs in developing an annual budget.
- The Board ensures that the goals of the strategic and business plans are aligned with the budget and monitored on a regular basis through financial reports.

3.3 Financial Management

- The organisation's financial management system is designed to gather, record and update accurate and meaningful data about the organisation's actual financial performance.
- The financial management system follows generally accepted accounting standards.

3.4 Financial Delegations

- The Board ensures that acceptable financial controls exist to ensure the appropriate stewardship of the organisation's resources and obligations.
- The Board delegates authority for signing:

- Cheques to the GENERAL MANAGER, Chairperson or Vice-Chairperson
 - Contracts to the GENERAL MANAGER, Chairperson or Vice-Chairperson.
 - Orders for payment to GENERAL MANAGER or Finance Officer.
 - Receipt or deposit of money to Finance Officer or Finance Assistant.
 - Withdrawal of money to the GENERAL MANAGER.
 - Access to securities to the GENERAL MANAGER.
- The Board delegates the responsibility for the preparation of the annual operating and capital budgets to the GENERAL MANAGER by the February Board meeting each year for presentation to the Board.
 - The Board delegates the management of the annual budget to the GENERAL MANAGER.
 - The Board delegates the responsibility for the preparation and implementation of the financial risk management plan to the GENERAL MANAGER.
 - The Board delegates the financial management of the organisation to the GENERAL MANAGER, provided that:
 - Actual expenditure aligns with the approved budget.
 - Assets are responsibly maintained.
 - Debts can be repaid within 14 days.
 - Single purchases do not exceed \$10,000.
 - Real property is not acquired or disposed of without Board approval.
 - Receivables are recovered after a reasonable period.
 - The Board authorises that corporate credit cards may be issued to the GENERAL MANAGER
 - The Board authorises that a corporate car may be issued to the GENERAL MANAGER.
 - The GENERAL MANAGER has the responsibility to establish and enforce written procedures for all financial delegations.

3.5 Capital Expenditure

- Anticipated capital acquisitions are included in the annual budget which is received and approved by the Board.
- The GENERAL MANAGER has the authority to spend up to \$5,000 from the contingency fund on any single acquisition without prior approval of the Board. Such acquisitions are reported to the Board at their next regular meeting

3.6 Capital Reserves

It is the responsibility of the GENERAL MANAGER each financial year to recommend to the Board the amount of funds to be kept in reserve.

3.7 Asset Maintenance

The annual budget takes into account the need for the maintenance of capital items.

3.8 Investments

The Board oversees the investment of funds in such a way to maximise returns while protecting principal, in accordance with the following guidelines:

- Investment activity is reviewed by the Board on a regular basis.
- Accounts such as interest bearing cheque accounts or the money market are regularly reviewed.
- Accounts, certificates of deposit and government securities are the primary investments.
- Investments are for a limited term.
- Within these guidelines, maximum interest rates are sought, with the maturity of the investments governed by expected cash needs of the organisation.
- All securities must be written in the name of the organisation.

3.9 Borrowings

- All borrowings on behalf of the organisation require the approval of the Board.
- No loan may be made to any Board or staff member without the approval of the Board.

3.10 Financial Reporting

The GENERAL MANAGER presents reports to the Board on the financial performance of the organisation at their regular meetings.

3.11 The Annual Financial Audit

- Board members understand the dimensions of the audit and its implications for the financial policies and structures of their organisation.
- The Board appoints the auditor annually.
- The Board understands the audit report before accepting it.
- The Board ensures that the audit recommendations are enacted.

3.12 Grants, Gifts and Bequests

- Grants, gifts and bequests from appropriate sources are separately identified from operating income by the GENERAL MANAGER. These funds are invested in accordance with this policy.
- Appropriate sources include individuals or groups acceptable to the moral and ethical requirements of Breakaway.
- The use of these funds for operational or capital purposes requires the approval of the Board.
- Restricted purpose donations are spent for their dedicated purpose.

This policy must be read in conjunction with the policies and procedures which supports this policy:

Fundraising Policy

Fees Policy

Petty Cash Policy

Ethics Policy (Board)

Board Processes (Board) Policy

4. References

Corporate Governance Principles and Recommendations ASX Corporate Governance Council
'It's Your Business' NSW Department of Ageing, Disability and Home Care
Associations Incorporation Act 2009 (NSW)
Work Health and Safety Act 2011
Privacy Act 1988 (Cth)
Privacy and Personal Information Protection Act 1998 (NSW)
Charitable Fundraising Act 1991 (NSW)
Australian Accounting Standards
NSW Disability Service Standard 6

5. Persons Responsible

All employees and volunteers are responsible for:

- Compliance with all Breakaway policies and procedures.

GENERAL MANAGER is responsible for:

- Ensuring the implementation of efficient and effective procedures and systems to ensure the implementation of this policy
- GENERAL MANAGER is responsible for communicating matters to the Board as required by this policy

Board are responsible for:

- Approval of this policy
- Implementation of this policy

6. Definitions

Breakaway – all Breakaway Incorporated services and programs

Board– the governing body of Breakaway, comprised of elected or appointed members who jointly oversee the activities and legal responsibilities of the organisation

Manager – refers to the GENERAL MANAGER

Staff – refers to employees and volunteers of the organisation

Due diligence – the degree of care and caution required by the circumstances of a person

Fiduciary duty – the highest standard of care imposed at either equity or law. The duty of caring for another's money.

Governance – is the legal authority of a Board to establish and be accountable for policies that will affect the life and work of the organisation.

Constitution – the name given to the memorandum and rules of an organisation

Risk – the likelihood and consequence of something happening that will have an impact on objectives

Risk management – the process of identifying, assessing and judging risks, assigning ownership, taking actions to mitigate or anticipate them, and monitoring and reviewing progress

Duty of care – the obligation to take reasonable care to avoid causing harm to another person

Conflict of interest – situations where a conflict arises between public duty and private interest which could influence the performance of official duties and responsibilities

Pecuniary interests – financial interests or other material benefits or costs

Non-pecuniary interests – political, religious, recreational, family or other interests

Vicarious liability – situation in which an employer can be found liable for wrongs committed by employees in the course of the employer's work

Document review history

<i>Date</i>	<i>Section</i>	<i>Change</i>