

Financial Management Policy

Procedure number	P013	Version	V1
Drafted by	T.Bestwick	Committee approved	<<insert date>>
Responsible person	Chairperson	Scheduled review date	2025 AGM 2026

1. Purpose

This policy provides guidance for Board/Committee members, and club members of CNB Inc. in managing the organisation's finances effectively, transparently, and in compliance with all legal and contractual requirements.

2. Principles

Accountability: The Management Committee holds ultimate responsibility for the financial management of the organisation.

- **Transparency:** Accurate, complete, and transparent financial records will be maintained at all times.
- **Integrity:** All financial affairs will be managed honestly, in the best interest of the NFP, and for its stated purposes.
- **Compliance:** All legislative and contractual financial requirements will be met.
- **Risk Management:** Prudent management of financial risks, including debt, assets, and liabilities, will be a priority.

3. Key Responsibilities

(Role: Responsibilities)

Board/Committee: Endorse and ensure compliance with this policy; review and approve regular financial statements (e.g., balance sheets, income statements, cash flow statements); ensure the organisation does not operate while insolvent; appoint an auditor or reviewer as required.

Treasurer: Oversee day-to-day financial operations; prepare financial reports for the Board; monitor performance against the budget; ensure proper accounting records are kept.

All club members: Comply with financial procedures; ensure all expenses are properly authorised and documented; return all organisation documents upon leaving.

4. Financial Procedures and Internal Controls

4.1. Accounting Records and Systems

The organisation will maintain accurate accounting records that explain all financial transactions and the financial position of the NFP.

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- Records will be sufficient to prepare financial statements in accordance with Australian Accounting Standards.
- An appropriate accounting system will be used and kept up-to-date.

4.2. Segregation of Duties and Authorisation Limits

- No single person will have control of an entire financial process (e.g., authorising, processing, and reconciling payments).
- All payments will require two authorisations or approvals.
- Financial delegations and limits for purchases/transactions will be established and documented, with only specific people authorised to approve spending above a certain value.
- 4.3. Budgeting and Monitoring
- An annual budget will be developed and approved by the Board/Committee.
- Regular monthly reports will be provided to the Board/Committee, comparing actual performance against the budget, with explanations for any significant variances.

4.4. Cash and Assets Management

- All bank accounts will be secure, with access limited to authorised personnel.
- Passwords will be kept secure and changed if an authorised person leaves the organisation.
- All assets will be managed prudently to support the organisation's mission.

4.5. Fraud Prevention

- The organisation is committed to preventing fraud and will implement controls such as regular bank reconciliation and independent reviews of expenses.

Any instance of fraud will be responded to immediately and reported to relevant authorities and the ACNC.

5. Reporting and Compliance

5.1. Annual General Meeting (AGM) and Financial Statements

An AGM will be held within six months of the financial year-end.

Annual financial statements will be presented to members at the AGM.

5.2. External Reporting (NSW Fair Trading and ACNC)

- Incorporated Associations (NSW): The NFP must lodge annual financial summaries with NSW Fair Trading within one month after the AGM and no later than 7 months after the financial year-end.

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- Tier 1 (large) (revenue over \$500,000 or assets over \$1 million) must submit audited financial statements.
- Tier 2 (small) (revenue under \$500,000 and assets under \$1 million) must prepare financial statements but generally do not require an audit unless specified by the rules.
- Registered Charities (ACNC): If registered with the ACNC, the NFP will meet ACNC reporting obligations, including the Annual Information Statement (AIS).
- Medium and large charities must also submit an annual financial report (reviewed for medium, audited for large).
- ACNC-registered charities only need to report to the ACNC, which satisfies NSW Fair Trading requirements.

5.3. Not-for-Profit and Dissolution Clauses

- The organisation's constitution ensures that profits are applied solely to its purposes and are not distributed to members.
- The constitution includes a dissolution clause ensuring that if the NFP is wound up, remaining assets are transferred to another organisation with similar charitable purposes.

6. Policy Review

This policy will be reviewed by the Board/Committee every year to ensure it remains effective and compliant with current legislation.

- P002 - Equal Employment Opportunity Policy
- P003 - Sexual Harassment Policy
- P004 – Bullying Policy
- P005 - Legislative Compliance Policy
- P006 – Staff Grievances & Dispute Resolution Policy
- P009 - Work Health & Safety Policy
- P010 - Privacy Policy
- P011 - Code of Conduct Policy

AUTHORISATION

Signature of Chairperson

Date: 7/8/25  BESTWICK
(CHAIRPERSON)

Policies can be established or altered only by the Committee. Procedures may be altered by the Chairperson.