



# Toukley Neighbourhood Centre

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*TNC is the beating heart of our community. We foster connection, celebrate diversity, and provide a safe and welcoming space where people are supported, empowered, and equipped with the opportunity to grow, thrive, and achieve independence.*

## POLICY – FINANCIAL MANAGEMENT

### Policy Information

<b>Title:</b>	Financial Management
<b>Effective Date:</b>	14 April 2025
<b>Policy Owner:</b>	Treasurer
<b>Applies To:</b>	All staff and volunteers
<b>Next Review Date:</b>	30 April 2025

### Change Control

Effective Date	Author	Approver	Comments
17-Apr-2023	Bronwyn Evans	BoM	Initial document
08-Apr-2024	Bronwyn Evans	BoM	Changes have been made to introduce abbreviation for EO (EO), move to monthly financial reporting, and to provide guidelines for fundraising and sales.
14-Apr-2025	Bronwyn Evans Donna Tudman	BoM	Update to new policy template. Remove measurement criteria. Minor wording corrections. Correct overview. Remove references to petty cash as all expenditure is to be made using the debit cards. Added Principle 4. Fundraising Financial Activities



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## Policy Overview

### Purpose

This policy sets out TNC's policy for financial management across the organisation.

### Context

At Toukley Neighbourhood Centre (TNC), policies are developed in alignment with the [TNC Policy Framework](#).

TNC Policy documents are developed to:

- Assist TNC to meet the objects of the organisation and manage risk effectively
- Assist TNC staff and volunteers in performing their duties
- Outline how TNC will meet governance expectations
- Provide transparency and clarity to TNC staff and volunteers.

TNC is bound by the [Australian Charities and Not-for-profits Commission Act 2012 \(Cth\)](#) and regulated by the [ACNC](#).

### Overview

Whilst this policy is intended for the recruitment, selection and ongoing employment of paid staff to positions in TNC, the principles outlined underpin recruitment decisions for volunteers. Specifically, TNC endorses diversity, rejects discrimination and ensures equity of access for all applicants

### Definitions

Term	Explanation
ACNC	Australian Charities and Not-for-profits Commission
BoM	BoM of Management
EO	Executive Officer
TNC	Toukley Neighbourhood Centre

## Policy Principles

Policies always contain a set of principles that provide information relating to the rationale for the document. Staff and volunteers must consider and comply with these guiding principles when performing their duties.

### **Principle 1: TNC applies good financial management practices to ensure TNC is sustainable, properly capitalised and funded**

TNC's procedures relating to financial management incorporate an annual budget process that is approved by the BoM and overseen by the EO. Appropriate financial controls and delegations to protect against financial misconduct are implemented to ensure the financial health of the organisation.

### **Principle 2: No payments will be made in the name of TNC unless such payment has been approved by the BoM**

Following BoM approval of the annual budget, the EO is delegated authority to approve payments within budgeted limits. Any expenditure beyond the approved budget requires separate BoM approval via meeting or circular resolution.

### **Principle 3: No single person has the authority to carry through all processes**

No single person has the authority to carry through all processes (budgeting, authorisation, payment, approval) to do with any:

- Payment
- Approval of a supplier
- Approval of an agreement or contract with an external party
- Contract of employment.

All payments (except credit card and petty cash payments) shall require signatures (or equivalent validations) from two persons with properly delegated authority, as recorded in the Financial Delegations Register.

Financial transaction cards may only be issued to a person approved by the BoM.

### **Principle 4: Financial Fundraising Activities**

Fundraising financial activities must be conducted with transparency, accountability, and in accordance with donor intent. The following principles apply:

- **Alignment with Budget and Purpose:** All fundraising income and related expenditure must be clearly allocated within the approved budget. Funds raised must be used for the purposes communicated to donors or as agreed upon by the BoM.
- **Delegation and Oversight:** Fundraising-related expenditure is subject to the same tiered approval limits outlined below. Any unbudgeted fundraising expenses or allocations outside of original intent must be approved by Tier 1 (Chair/Treasurer).
- **Transparency and Recordkeeping:** Accurate records of all fundraising income and expenses must be maintained. The EO is responsible for ensuring proper reconciliation, tracking, and reporting of fundraising accounts.
- **Donor Reporting:** Where applicable, donors must be provided with updates or acquittals confirming how funds were used in accordance with the stated fundraising objectives.

## Financial Delegations

Tier	Position	Delegation Limit	Approval Requirements
Tier 1	<b>Chair / Treasurer</b>	<ul style="list-style-type: none"> <li>Any expenditure above the approved budget</li> <li>Single transactions over \$7,500</li> <li>All non-budgeted or exceptional items</li> </ul>	Approval must be obtained at a BoM meeting or via circular resolution.
Tier 2	<b>EO</b>	<ul style="list-style-type: none"> <li>Expenditure within the approved budget</li> <li>Single transactions up to \$7,500</li> <li>May enter transactions</li> </ul>	<p>Must confirm alignment with budget allocations prior to approval.</p> <p>All initiated transactions require Tier 1 approval.</p>
Tier 3	<b>Staff</b>	<ul style="list-style-type: none"> <li>No financial approval authority</li> <li>May enter transactions only</li> </ul>	All transactions require approval by Tier 2 or Tier 1 as appropriate.



## Processes

### Responsibilities

It is the responsibility of the BoM to:

- Approve a budget for TNC and authorise any departures from that budget
- Maintain supervision of the financial processes of the organisation.

It is the responsibility of the EO to ensure that:

- Procedures consistent with this policy are implemented
- Reports on the implementation of these procedures are regularly submitted to the BoM
- Staff and volunteers are aware of this policy and these procedures
- The annual audit occurs in a timely manner
- Any breaches of this policy or procedures are dealt with appropriately.

It is the responsibility of all employees and volunteers to ensure that any payment made on behalf of the organisation conforms to this policy and those procedures.

## Financial Transaction Card Use

### Financial transaction card Issue

Any organisational financial transaction cards (credit or pre-paid debit cards) may only be issued to a BoM member, staff member, or volunteer where their functions and duties would be enhanced by their use. Cards will thus be issued only to people on the approved Organisational Financial Transaction Card List. The list shall be held by the EO and be made available to the Treasurer on request.

Each financial transaction card will be issued to a specific person, who will remain personally accountable for the use of the card. Cardholders will sign a declaration to this effect.

Only the authorised signatory may use the card. No more than one card shall be issued per cardholder. Credit limits as appropriate shall be set for each card by the issuing authority.

### Cardholder's Responsibilities

The Cardholder shall:

- In all cases obtain and retain sufficient supporting documentation to validate the expense (e.g. tax invoice or receipt) or provide a written statement in lieu (the EO may require a statutory declaration).
- Notify the bank and the EO (or in the case of the EO, the BoM Chair) immediately if:
  - ◆ The card is lost or stolen
  - ◆ Any unauthorised transaction is detected or suspected
  - ◆ A personal expense has inadvertently been charged to the card.
- Notify the EO of any change in name or contact details.
- Take adequate measures to ensure the security of the card.
- Cease using the card and promptly return the card to the EO if:
  - ◆ The cardholder resigns
  - ◆ The EO determines that there is no longer a need for the cardholder to retain their card
  - ◆ The card has been cancelled by the bank.
- Be personally liable for any unauthorised transaction unless the card is lost, stolen or subject to fraud on some part of a third party.

The Cardholder shall not:

- Exceed any maximum limits set for the card.
- Obtain cash advances through the card.
- Use the card for any illegal purchases.
- Authorise their own expenditure.
- Claim double allowances (i.e. request reimbursement for an expense already paid by the card).

### Card Expenditure

The card will only be used for purchases that are directly associated with the cardholders' function within the organisation.

Where doubt exists as to whether an item is function-related, prior authorisation should be obtained from the EO (or, in the case of the EO's own card, the Chair of the BoM or the Treasurer).

Where private expenditure occurs on the same transaction as a corporate expenditure (e.g. a person incurs a debt for personal telephone calls during a hotel stay) the cardholder must settle the private expense prior to charging the balance on the organisational card.

The use of the corporate card for "services of a dubious nature" is expressly prohibited. "Services of a dubious nature" are defined as any goods or services that could bring the name of the organisation into disrepute.

### Card Expenditure Review

Records of all expenditures made on the card must be reviewed by the EO (or, in the case of the EO's own card, the Chair of the BoM or the Treasurer), with a view to establishing both the need for the expenditure and the authorisation of the expenditure.

### **Card Misconduct**

Wherever a breach in this policy occurs, the EO will assess the nature of the breach and may institute an appropriate disciplinary process, including:

- counselling and/or verbal warning
- a diary or file note created and retained on employee's personnel file
- a written warning.

Where the EO considers that the breach is such that serious sanction is appropriate, TNC's right to summarily dismiss an employee for serious misconduct may be exercised.

The EO may determine whether to report a breach of the policy to the police for criminal investigation.

Following report of a breach, at the next BoM meeting, the EO shall report:

- the investigation of the circumstances of the breach
- any police reports and action
- any disciplinary action taken.



**Bank accounts**

Bank accounts may only be opened in TNC's name, or to hold TNC's funds, when authorised by a person with the appropriate authority as recorded in the Financial Delegations Register.

Any variations to banking arrangements can only be made by a person with the appropriate authority as recorded in the Financial Delegations Register.

**Bank transfers**

Any bank transfer above the level approved for the person in the Financial Delegations Register (or any series of payments within the period of fourteen days amounting to 150% of the level approved for the person in the Financial Delegations Register) must be approved prior to the payment by two persons authorised to make such approvals by the Financial Delegations Register.

Each payment must be supported by an invoice, receipt, or other appropriate documentation. Authorisations must be attached to this documentation prior to payment.

Bank transfers above \$5,000 to suppliers must be made only to suppliers who have been approved for the organisation's Approved Supplier Register. Where it appears necessary to make transfers to persons or bodies not on the Approved Supplier Register, prior approval must be sought from the EO.

**Cheque use**

All cheques must contain two eligible signatures. Eligible signatories are persons approved by the BoM and recorded in TNC's Financial Delegations Register.

Signatories cannot sign a cheque made payable to themselves, or a blank cheque. All details on the cheque form must be filled in before signature.

A list of all cheques issued each month, featuring amount, recipient, signatories, and explanation, will be provided to the Treasurer.

All cheques received will be deposited in TNC's bank accounts within three days.

## Fundraising and Sales

TNC organises various events and activities for the purpose of raising funds to be applied to TNC programs and services.

Examples of these include Op Shop sales, Bunnings and Lions Market BBQ sales, fund raising for specific purposes (e.g. Christmas Appeal).

The following guidelines apply:

- All funds raised are to be accounted for in either POS or donations management tools that integrate with Xero (TNC's financial management system). TNC currently uses the Square, Return & Earn and Give Now applications respectively for these purposes.
- Purchasers / Donors should always be given the opportunity for a receipt documenting the transaction. The applications used by TNC facilitate this.
- Cash must be kept in a supervised, secure receptacle (e.g. cash till).
- No more than \$500 in cash may be kept in a cash till at any point in time. Any amount above this limit must be removed to a more secure environment (e.g. safe).
- Cash must be deposited in TNC's bank accounts within five working days.