

AUCS Inc Board – Financial policy 2.1

Internal Accounting Policy

1. Investments/Funds management

Each Centre shall operate the following four types of Accounts:

a) Operating account (cheque account)

- i) Purpose: to be used to deposit income and from which to pay salaries and other operating expenses.
- ii) Balance: balance should be maintained at approximately equivalent to one month's operating expenditure plus the current year's AUCS Budget.
- iii) Term: money should be accessible immediately.

b) Business Online Saver

- i) Purpose: to deposit surplus funds in an account which earns a higher interest rate than the Operating account, but which is available on call to be transferred as needed to the Operating account.
- ii) Balance: should be no greater than the equivalent of one month's operating expenditure.
- iii) Term: money should be accessible immediately and without penalty

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Budget:

As part of the budgeting process a capital plan for the ensuing year should be presented for consideration and approval by the Board.

e) **AUCS expenditure**

In order to cover the annual expenses of AUCS a levy is to be charged to each Centre. The levy will be calculated as a % of Total Revenue. The budgeted levy will be processed monthly, and adjusted at year end to reflect the actual Total Revenue for the year.

f) **Contingency**

Each Centre's budget is to provide for a contingency, in order to provide some risk mitigation in the event of unforeseen expenses arising during the year. The contingency budget shall be

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Internal Accounting Procedures

1. Processing and Payment of Invoices (Accounts Payable)

- a. Upon the receipt of goods or services, the person who ordered same should check the delivery docket and sign to signify that it matches the goods/services provided. The delivery docket should be provided to the Administration Assistant. The Administration Assistant should validate the invoice against the delivery docket. If no delivery docket is available then the invoice should be checked, signed and dated by the person who received the goods/services. Invoices should then be provided to the Centre Director for review and approval, signified by signing and dating the invoice.
- b. Invoices should be entered into MYOB by the Administration Assistant.
- c. Payments for accounts must be processed only after
 - i) for Centre accounts: written authorisation by the Director in accord with step above
 - ii) for AUCS accounts: written authorisation by the Board Chair or Treasurer or in accord with a Board minute or Policy.
- d. Electronic Payment runs – invoices which are due for payment should be selected in MYOB. The file is processed as a bank file through Comm Biz. A report showing the payments and the total \$ should be printed, and signed and dated by the two authorities who approved the payment run. The relevant supporting documentation (invoices) should be batched and attached to the report. This should then be provided to the Centre Director, for review and approval, signified by signing and dating the report.
- e. Cheques must be:
 - i) processed by computer only (not handwritten)
 - ii) prepared by the Administration Assistant and
 - iii) signed by two cheque signatories. Cheques for signing must be attached to the respective invoices and cheque signatories must check the details of each cheque against the invoice prior to signing.
- f. Key cards - Receipts for every purchase must be provided to the Administration Assistant. The receipts must be matched and attached to the statement, which is subsequently provided to the Centre Director for approval.
- g. Prepaid Visa cards - Receipts for every purchase must be provided to the Administration Assistant. The receipts must be matched and attached to the statement, which is subsequently provided to the Centre Director for approval.
- h. Reimbursements to staff - If purchases need to be made which can't be paid for with the normal payment processes, staff may seek approval from the Centre Director prior to the purchase to pay for it personally and seek reimbursement. If no receipt is provided, a form needs to be completed. The reimbursement will be processed through MYOB and paid electronically in the next payment run. If the Centre Director

- c. Leave provisions in the Balance Sheet are to reflect the staff entitlements as per the payroll system. Annual leave and Long Ser

d. Definitions:

- i) Total Child Care Income includes income from ISS and Universal Access and any other income received as a direct result of child enrolments
- ii) Employment expenses is the Total Employment Expenses reduced by any Wage Reimbursements.

Approved by the AUCS Board on 28 October 2019