



SPECIAL OLYMPICS AUSTRALIA

CLUB FINANCE POLICY & PROCEDURE MANUAL

Special Olympics Australia

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ABN 28 050 738 728

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Introduction

The Special Olympics Australia Club Finance Policy and Procedure Manual provides the policies and procedures for financial transactions within Special Olympics Australia Clubs, which must be followed by all authorised Club Leadership Team. It also provides the guidelines that Special Olympics Australia will use to administer these policies.

Important information to note

1. Special Olympics Australia is the only Program accredited by Special Olympics Inc to operate within Australia and all monies are raised in the name of Special Olympics Australia.
2. Special Olympics Australia conducts all activities under one ABN: 28 050 738 728 and upholds compliance with Australian Accounting Standards, Australian Taxation Office Guidelines, Australian Charities and Not-for-profit Commission and Relevant State Charitable Fundraising Act.
3. Special Olympics Australia will keep all Club finance policies current and relevant. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.
4. These policies and procedures apply to all Special Olympics Australia Clubs.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

Finance Policies

1. Controls on expenditure

Bank mandates and cheque signatories

The Chief Executive Officer (CEO) of Special Olympics Australia has overarching authority over Clubs' bank accounts. Clubs must only use a bank account established and authorised by Special Olympics Australia.

Any new bank accounts to be opened must have the authorisation of the CEO of Special Olympics Australia. Where it is decided that a bank account is no longer necessary, the CEO will authorise the closure of the bank account.

Two signatories are required for all cheques and electronic funds transfers. The authorised signatories and electronic payment approvers for bank account payments are;

- A minimum of three signatories and a maximum of four signatories per Club bank account.
- This should include the Club Chair, Secretary and Treasurer and any other registered Committee member, as long as they are not related by blood or marriage.

Changes in authorised signatories or electronic payment approvers must be approved by the Committee and must be forwarded to Special Olympics Australia.

The Treasurer is responsible for ensuring that Club bank accounts are reconciled monthly, with the Chair required to review and sign the bank reconciliation statements.

Purchases and Payments

The Treasurer is responsible for ensuring all purchases have the necessary approval before processing purchases. The Treasurer must also ensure that pricing and computation on invoices and supporting documentation are accurate.

Purchasing and payment stipulations are as per below;

- All expenses must support the athletes of the Club and be in line with Special Olympics Australia's mission.
- Any purchase over \$1,500 requires approval from the committee
- Any purchase over \$10,000 requires approval from the Board of Special Olympics Australia and must be minuted in the Committee meeting minutes. Approval from the Board can be arranged through the Head Office finance department.
- Any purchase of plant and equipment over \$1,500 must be capitalised.

- Each payment made must be supported by a tax invoice, receipt or other appropriate documentation with the authorisation of purchase. A tax invoice/receipt should contain the supplier's ABN and address, as well as indicate the amount of GST or GST status of the supplier.
- Except for amounts less than \$50, payments should be made as much as possible by Electronic Funds Transfer or cheque. Amounts less than \$50 can be paid from a petty-cash float.
- To avoid double payment, once invoices are paid, they should be marked "paid" by hand or with a stamp and details of the cheque number or date of electronic funds transfer recorded on the invoice.
- Expenses cannot be paid from the proceeds of a fundraising activity before the proceeds are deposited into the bank. State fundraising laws specifically prohibit fundraising expenses being taken from the proceeds of the fundraising of the day. When required, volunteers can request a cash advance and present the receipts to the Treasurer.

Petty Cash

- The maximum amount that a Club Treasurer can maintain as a petty cash float is \$150.
- Petty cash can only be given for amounts less than \$25.
- To claim petty cash, a Committee member/volunteer needs to provide a receipt.
- The float must be reconciled and receipts for all expenditure kept with cheques used to reimburse the float.

2. Controls on income

All monies raised in the name of Special Olympics Australia must be banked within 3 days of receipt, as best practice, and a maximum of 7 days of receipt. A receipt must be issued for all cash donations received, whether the donor requests one or not. Receipts must be issued using donation receipt books issued by Special Olympics Australia or generated directly from Special Olympics Australia fundraising database.

The gross proceeds from fundraising or sport activities must be deposited intact with any costs related to the activities paid as much as possible by Electronic Funds Transfer or cheque. Small cash payments can be paid by petty cash. (Refer to Controls on expenditure).

In addition;

- Two people should be involved in counting cash and each person should sign the counting sheet.
- The counting sheet should be submitted to the Club Treasurer who will reconcile with the amount deposited into the Club bank account.

Cash received for weekly training and competitions are to be registered and reconciled with the attendance list managed by the Sports Coordinator. The attendance list should then be submitted to the Club Treasurer, who will reconcile it with the amount deposited into the Club bank account.

When a Government or Non-government grant is received, such grants are initially recognised as a liability (unearned income) until the programs are performed or grant conditions are fulfilled.

3. Controls on Physical assets

Asset Register and Depreciation

The Treasurer is responsible for maintaining the Asset Register and Depreciation Schedule. All assets must be listed on the Register with the original purchase documentation and depreciated from the date that they are installed and are ready for use. Depreciation is calculated by using the straight-line basis over their estimated useful lives as per below estimates;

- a) Motor vehicles: 5 years
- b) IT equipment: computer, laptops, iPad, camera: 3 years
- c) Software: 5 years

All equipment/motor vehicles purchased using funds raised under the name of Special Olympics Australia must be insured under the name of Special Olympics Australia. Please contact Head Office to organise the appropriate insurance using the Special Olympics Australia insurance broker.

Computer equipment, software and data

All computer equipment/software purchased using funds raised under the name of Special Olympics Australia remains the property of Special Olympics Australia. In addition, all data/information residing on Special Olympics Australia purchased equipment, whether held at Head Office or at any Club, remains the property of Special Olympics Australia.

4. Controls on financial accounting

Chart of Accounts

A Chart of Accounts (COA) is a financial organization tool that provides a listing of every account in an accounting system. An account is a unique record for each type of asset, liability, equity, revenue and expense.

The COA should be as simple as possible and be revised over time as needed by business transactions. The structure and headings of accounts should assist in consistent posting of transactions with each ledger account being unique to allow its ledger to be located. The Chart of Accounts should also correlate to the categories in the budget so that they can be easily compared.

The Club Treasurer is responsible for complying with the COA description on every business transaction.

A copy of the COA is included in the Excel reporting template, which can be found on the Special Olympics Australia website under 'Finance and Administration' in the members resources, or by the below link.

<http://www.specialolympics.com.au/index.php/members>

Retention & Management of Financial Records

The Treasurer is responsible for keeping financial records.

- All financial records are to be kept for a minimum of 5 years.
- If there is a change of Treasurer, the outgoing Treasurer is responsible for handing over all records to the new Treasurer, or Chairman if the position has not been filled yet.
- It is recommended that each Club maintain their ledger using MYOB Essentials accounting software.
- If the number of transactions is less than or equal to 30 transactions per month, the Club Treasurer can use an Excel template if preferable.

Audit

Special Olympics Australia is a company limited by guarantee, incorporated and domiciled in Australia, and is required to have an annual audit of its accounts.

The audit of Special Olympics Australia is required to be a consolidated audit with Head Office and Clubs. As such it is vital that each Club submits its financial report to Head Office by 31 January as the audit is required to be finalised one month before the Annual General Meeting, which must be held within five months of the end of the Special Olympics Australia financial year, which runs from 1 January to 31 December

5. Taxation

Special Olympics Australia (ABN: 28 020 738 728) is a Public Benevolent Institution and endorsed to access Income Tax exemption, Fringe Benefits Tax exemption and GST Concession.

GST Concession

For most businesses, GST must be charged on all invoices to their clients and customers. However, there is a certain GST concession where GST does not need to be charged.

For Special Olympics Australia, the following rules apply for GST:

The following income is GST free

- Donations, gifts, raffles and bingos
- Annual athlete registration fees (as it is classified as ‘non-commercial income’ where the fee charged is less than 75% of the value of that registration)
- Weekly training fees (if the amount charged to the athlete is less than 50% of the GST-inclusive market value).

Club fundraising events are mostly GST free as they are classified as ‘non-commercial income’ where the sales price is less than 50% of the GST-inclusive market value. This includes cake stalls and BBQs. However, GST is charged on an event such as a Golf Day and GST can be claimed on purchases in relation to that Golf Day.

Head Office fundraising events are classified as “Input-taxed fundraising events”. This means that GST is not charged on fundraising income, but no GST can be claimed on purchases in relation to that fundraising event.

GST is charged on the following income

- Sponsorship invoices (this is because in return for sponsorship, the sponsor may receive advertising, signage or naming rights, or some other type of benefit of value. This means that the sponsor receives something of value in return for the sponsorship).
- Competition fees (if the amount charged to the athlete is less than 50% of the GST-inclusive market value).

- Competition fees for State Games, National Games and World Games (in this case the GST is collected and borne by Special Olympics Head Office. Any donations to support athletes are GST-free. If a company would like to sponsor an athlete without expecting any other type of benefit of value, this is a gift/donation).
- Grant funding (please note though that non-government grants are mostly donations).

When paying GST

GST that is paid on purchases will be shown on the tax invoice or receipt received from the supplier. The supplier must provide a tax invoice/receipt which shows their ABN, Business name and the amount of GST included on the invoice. The supplier will usually show the GST amount as a separate item on the invoice, usually above the final total. The supplier may also state “this invoice includes 10% GST” (in which case the GST amount can be calculated by dividing the total of the invoice by 11). If you do not have a legitimate tax invoice, then the GST component should not be claimed.

Submitting GST claims

As Special Olympics Australia is required to lodge a BAS monthly, all GST paid on expenses that were incurred during the month being claimed should be included in the BAS return.

Clubs can send in GST claims on a quarterly basis. This can then become a standard report sent to Finance, alongside the other financial reports requested on a quarterly basis.

It is very important that all receipts/invoices are retained for all GST claims, so that in the event of an Australian Taxation Office (ATO) audit, we can request that selected Clubs produce the original receipts to support their GST claims. The ATO requires receipts to be kept for 5 years.

Contact

If Club Treasurers have any queries about this policy, these should be referred to the Finance Team at Special Olympics Australia Head Office.

Phone: 1300 225 762

Email: accounts@specialolympics.com.au