

Finance Policy and Procedure

Commitment

Illowra is committed to providing and maintaining quality Specialist Disability Accommodation (SDA), and this manual outlines how we manage finance. Our financial systems are in line with applicable legislation and standards.

Scope

This Finance Policy and Procedure Manual provides the policies and procedures for finance transactions within the business which must be followed by all staff in line with financial delegations.

Who is authorised to make financial decisions?

Illowra has clear financial delegations to ensure only those with appropriate authority undertake financial transactions and make financial decisions.

| Finance Transaction | Authorised person |
|---|---|
| Bank accounts | Managing Director Finance and Governance Manager |
| Business credit card | Managing Director Finance and Governance Manager |
| Authorising new residents | Managing Director Finance and Governance Manager Vacancy Manager/Coordinator |
| Authorising new suppliers | Managing Director Finance and Governance Manager Maintenance Manager (maintenance only) |
| Purchasing office supplies | Managing Director Finance and Governance Manager Maintenance Manager |
| Purchasing assets or equipment for house maintenance/furnishing | Managing Director Finance and Governance Manager Maintenance Manager |

| Finance Transaction | Authorised person |
|------------------------------------|---|
| Debt Collection | Managing Director Finance and Governance Manager |
| Payment of Invoices/expense claims | Managing Director Finance and Governance Manager |
| Capital Investment | Managing Director |

Bank Accounts

For each new business bank account opened, or any old account closed, the financial records must be updated. All deposits must be banked within two business days. All payments made must be supported by invoice, receipt or other appropriate documentation and retained with the financial records. Where it is decided that a bank account is no longer necessary, all transactions with respect to the account will be completed before meeting the bank's requirements for account closure.

Credit Cards

An employee will only be issued a credit card if authorised by the Managing Director.

The business credit card can only be used for relevant business expenses within the financial limits of the card allocated. Where a business credit card is lost or stolen, then the owner of this card is to notify the Finance and Governance Manager, who is responsible for notifying the issuing agency and ensuring the card is cancelled. All holders of business credit cards are required to reconcile the monthly credit card statements for financial records. All business credit cards are to be returned to Illowra when requested or where the card holder is no longer an employee.

New Residents

All new residents must be reviewed and accepted in accordance with engagement policies and procedures. Payment terms must be in line with the Residential/tenancy/service agreement. The Finance and Governance Manager oversees the rental payments. Where possible this will be set up as automatic payments.

If any payment is overdue the procedure is:

- **First Contact:** Phone the customer/representative and politely remind them that payment is due and has not been received. Ask them when they will be paying and record the communication on the resident's file.
- **Overdue reminder:** If there is no response try again and note of all conversation details on the resident's file.
- **Final notice:** When a payment is overdue for 28 days a final notice is to be sent. A record of this notice must be entered onto the resident's file.
- **Direct contact:** Where there has been no response to the final notice within 7 days the managing director must either visit the customer or phone where previous contact has been by email. The purpose of this step is to secure a date of payment. A record of this notice must be entered onto the overdue customer payment record.
- **Formal letter of demand:** Where payment remains outstanding in 7 days and there has been an unsatisfactory response from the resident/representative, a formal letter of demand will be issued and sent via registered mail, with a record of this on the resident's file.
- The managing director will decide on whether debt collection, payment plan, debt write off or eviction is applicable under the individual circumstances.
- All rental collection procedures are to be conducted in accordance with the Residential Tenancies Act 1997 (Vic) and/or other applicable State legislation

New Suppliers

All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

For each new supplier the following details must be entered into the financial records prior to agreeing services:

- Business Name of Supplier
- ABN of the business
- Location of Supplier
- Products/Services provided by supplier
- Name of business owner/ sales representative
- Years trading/quality record (if applicable)

Each of the following should be considered when selecting a new supplier:

- Is the supplier pricing competitive?
- What are the payment terms for this supplier?
- What is the return policy for this supplier (if applicable)

- Does the supplier provide warranties, guarantees etc?
- Are the suppliers representatives knowledgeable of the products/ services and industry?
- Is there an alternative to this supplier, has the alternative supplier been considered?
- What are the delivery services of the supplier?
- Has a credit/trade check been undertaken for the supplier (attach to this checklist)?

The appointment of a new supplier will be authorised by Managing Director or delegate.

Purchasing

Illowra purchasing principles are:

- smart design and lasting quality
- environmental sustainability
- value for money

Where possible, preferred suppliers should be used for purchases. Where items to be purchased are less than \$100 expense reimbursement will be used. For purchases over \$1,000 three quotations must be provided where available.

Any equipment and asset purchases must be entered in the financial records by the Managing Director or the Finance and Governance Manager.

An asset register will be maintained for capital asset purchases with the following details included for each asset:

- Asset description
- Date of purchase
- Supplier
- Make, model, warranty/guarantee information where applicable
- Receipt (checked against supply agreement/contract as applicable)
- Depreciation method
- Value of accumulated depreciation
- Current value

Financial Records

All financial records shall be maintained by the Managing Director and/or the Finance and Governance Manager, in accordance with the *Corporations Act 2001*. The financial records must correctly record and explain transactions and the financial position and performance to enable true and fair financial statements to be prepared and audited where necessary.

GST records are to be maintained for each relevant transaction so as to allow for the preparation and lodgement of the BAS.

Financial records shall be retained for a minimum of seven years or as otherwise required by Corporations and Taxation legislation.

Responsibilities

- Staff must follow the Finance Policy.
- The Finance and Governance Manager is responsible for ensuring financial records are in order and compliance obligations are satisfied.
- The Managing Director has overarching responsibility for finances.

Finance Policy questions and feedback

If you would like a copy of this policy, or if you have any questions or feedback, please contact info@illowraliving.com.au or 1300 455 697 (1300 illowra)

Legislation, Standards and Agreements

The following legislation applies to this policy and supporting documentation:

[A New Tax System \(Goods and Services Tax\) Act 1999](#) (Commonwealth)

[Corporations Act 2001](#) (Commonwealth)

[Disability Act 2006](#) (Victoria)

[Income Tax Assessment Act 1997](#) (Commonwealth)

[National Disability Insurance Scheme Act 2013](#) (Cth)

[NDIS Provider Toolkit and SDA requirements](#)

[Residential Tenancies Act 1997](#) (Victoria)

Related internal documents

Collaboration Agreement

Investor Policy and Contract

Maintenance Procedure

Participant Agreement/ Sub-lease

Staff Travel and Expenses Policy

| Finance Policy and Procedure Manual | Policy Matrix: Governance and management |
|--|--|
| Version | Details |
| Version 2 | 28 October 2018 |
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| Endorsed | Managing Director |
| Changes | Text adapted to reflect Illowra Projects and Illowra Living. |