



POLICY 4

Finances

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Contents

POLICY NUMBER: 4 3

POLICY NAME: FINANCES 3

4.1 Accounts payable, receivable and receipting income 4

4.2 Bookkeeper 4

4.3 Budget 4

4.4 Business and financial viability reporting 5

4.5 Course fees, concessions and refunds 5

4.6 Fraud - financial 7

4.7 Financial audits 7

4.8 Funding 7

4.9 GST records and taxation 8

4.10 Insurance 3.16, 5.8 8

4.11 Legislation 9

4.12 Petty cash 5.10 9

4.13 Reporting and Record keeping 5.12 , 5.14 9

4.14 Staff records and leave 10

4.15 Superannuation 10

Policy Number: 4

Policy Name: Finances

Purpose:

This policy outlines the responsibilities and duties of the Finance Staff, principally the Bookkeeper and sets out the duties and responsibilities involving the Management of the Finances, recording and reporting for the Centre.

Scope:

The policy applies to the Bookkeeper, Manager and Board of Management, particularly the Treasurer.

Relationship with AQTF Standards and Conditions & Current Funding Contract:

- *Condition 5 – Financial Management*
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Relevant Records/Documents:

- *Financial records and reports*
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Document Name	Policy 4_Finances.docx	Created by	Manager
Revision	13.0	Approved by	
Revision Date	September 2024	Original Version 1	2003
Next Scheduled Review	September 2027	Page Number	3

Procedures

4.1 Accounts payable, receivable and receipting income

- All accounts payable invoices are to be presented to the Board and passed for payment before monies are paid.
- Cheques require two signatures, one at least from the Board.
- Orders should be made by an authorised personnel only. BCAL should strive to purchase items from the most economic sources and where appropriate support the local community.
- Income receipts from fees must be kept separate from payment of refunds.
- Incomes received shall be receipted at the time of payment but receipts will not be posted unless requested. Duplicates of all receipts are retained at BCAL.
- The method of payments are cash, cheque, credit card or EFTPOS and have to be recorded on the receipt.
- Course participants are required to present their receipts in order to gain entry into the course.
- User groups that rent premises or hire space are required to sign BCAL's Room Hire Agreement.
- Income receipts from fees must be kept separate from payment of refunds.

4.2 Bookkeeper

- Where ever possible the Centre will use a fully qualified and experienced Bookkeeper to undertake all financial recording and reporting.

4.3 Budget

- The Board of Management of BCAL is responsible for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.
- In line with this responsibility, the Board conducts a budget planning process each year as part of its annual business planning. The Board also oversee regular reports of the financial performance of the Centre against the budget through a quarterly budget comparison review.
- The Bookkeeper is responsible for preparing and presenting the budget and quarterly reviews to Board. Budget figures are based on income and expenditure of the previous year, and future projections
- The Board of Management of BCAL has ultimate responsibility for ensuring that the Centre operates within a responsible, sustainable financial framework.
- Through the Bookkeeper the Treasurer has the responsibility to ensure that the Board is properly informed by monitoring and reporting on the financial situation of the organisation. The Bookkeeper reports to the Board on a regular basis through monthly meetings with regard to the financial situation of the organisation via a financial report and quarterly budget comparison report, using data from the Centre's financial software.
- It is the responsibility of the Treasurer, working with the Bookkeeper, to ensure all budgets are prepared and reviewed and presented to the Board appropriately.
- Each year the Bookkeeper, supported by the Treasurer and Manager, starts to prepare the budget estimates as part of the Budget Plan for the next financial year. The decision-making process arising from this is discussed by, and is the responsibility of, the Board and includes:
 - Considering operational costs and payroll costs
 - Ensuring that long term liabilities including long service leave obligations are provided for
 - Determining profit goals for the Centre in line with its strategic plan
 - Estimating income
- The initial estimates are based on the current expenditure for the year, estimated to the end of the year plus wage increases and increases in operating costs.
- The Treasurer will present the draft budget for discussion at the Board meeting. The Board may accept the estimates as presented or may request variation.

- The final budget should be presented at the first meeting of the current year based on the final figures for the previous year. Once passed by the full Board, this budget then becomes the official operating budget for the BCAL and all Board members and employees must strive to work within its financial limits for that year, unless variations are agreed upon by the Board.
- The Board, working with the Bookkeeper, is responsible for ensuring the Centre’s day to day activities fit within the goals and constraints of the budget. The Board will delegate that the Manager may spend up to \$500 on single items within the budgeted line items, and larger amounts on maintenance items. Permission must be gained from the Treasurer to make payments beyond this delegation or outside the parameters of the budget. A Deed of Delegation * outlines these responsibilities.
- The Treasurer in conjunction with the Bookkeeper is responsible for monitoring the Centre’s expenditure, reviewing the actual and budgeted expenditures and reporting of the progress of such expenditure to the full Board.
- Budget comparison reports will be prepared quarterly showing the year to date expenditure and its variation from the budget, and indicating any increases or decreases in funding. A commentary should be presented to Board with reasons for variations, and recommendations for corrective action should they be required. Once adopted by the Board, an amended budget will become the new operating budget for the remainder of the year.
- The Treasurer will also report on any other financial matters that may be relevant to business, financial or strategic planning. * see Addendum C - Deed of Delegation
- The Bookkeeper conducts analysis of previous year figures.
- The Bookkeeper uses budget pro forma and above figures to create draft budget for current year.
- The Bookkeeper and Treasurer adjust figures for budget where appropriate.
- The Bookkeeper finalises figures and places in quarterly review budget pro forma for current year.
- The Budget presented to Board for review and ratification.
- The Bookkeeper and Manager compare actual transactions against budget figures on a monthly basis to keep track of spending and make corresponding operational adjustments.
- The Budget is subject to the Board quarterly review, per school terms.

4.4 Business and financial viability reporting

- Funding bodies will require reports to check the business and financial viability from time to time.
- Business Viability reports are required annually by both HESG and ACFE.
- Financial information is required annually for the next years funding application. This includes maintaining a cash buffer adequate for 3 months’ operations.
- Audit reports are to be sent annually to the Department of Justice, consumer affairs (re incorporation), ACE VIC and ACFE.

4.5 Course fees, concessions and refunds

- The Centre Coordinator and Manager set fees based on Government funding body guidelines and budgetary constraints. Concessions are granted to all eligible persons in line with access and equity guidelines. Fees paid in advance (if any) are protected by Centre Term Deposit.
- Pre-accredited course fees shall be set to cover costs to at least break-even. Courses will be cancelled if fees do not cover expenses. Fees are to be charged only when training is given the go-ahead. This includes pre-accredited and accredited training.
- Fees are to be broken into tuition, amenities, resources and any other charge as necessary if relevant, or one charge may include all of the above. Students are to be informed of fee schedules prior to enrolment, and need to sign agreement to these fees upon enrolling. Details may be included in induction packs and on enrolment forms.
- For accredited courses, fees are set on Government guidelines at least annually and must be updated when relevant and the current ‘fee schedule’ placed on the Centre’s website for each course. Actual tuition fees

Document Name	Policy 4_Finances.docx	Created by	Manager
Revision	13.0	Approved by	
Revision Date	September 2024	Original Version 1	2003
Next Scheduled Review	September 2027	Page Number	5

charged must be reported in VETTRAK and thus to The Department (see 'Fee Model' area in VETTRAK). Fee statements should include all tuition and all other fees.

- Concessions may be offered on presentation of government concession cards such as pension and low income. Cards will need to be sighted and the CRN number recorded.
- Where students attend or are referred to the Centre under VTG (see VTG policy), fees and charges must be in line with the department's current fee guidelines, re concessions etc.
- Alterations to set fees, including waiving of that fee, is allowable at the discretion of Administration.
- Complainants may be granted a full or partial refund or a complimentary enrolment only if their complaint is judged valid by Administration and the Board.

The RTO must provide the following fee information to each client:

- the total amount of all fees including course fees, administration fees, materials fees and any other charges
- payment terms, including the timing and amount of fees to be paid and any non-refundable deposit/
- administration fee
- the nature of the guarantee given by the RTO to complete the training and/or assessment once the student has commenced study in their chosen qualification or course
- the fees and charges for additional services, including such items as issuance of a replacement qualification testamur and the options available to students who are deemed not yet competent on completion of training and assessment, and
- the organisation's refund policy.
- Student fees paid in advance will not exceed \$1,000 per student at any time prior to the commencement of their course or \$1,500 during the course. This information is included on the fees statement provided to each student.
- All fee payments paid in advance will be guaranteed refund. The Centre must hold sufficient funds (Term Deposit) to ensure full refund of ALL fees paid in advance. There may be the need of a Tuition Fee Insurance Scheme, should this be in doubt, if fees in advance are over \$1000.
- If fees paid in advance cannot be assured of refunds, fees should then be charged in arrears.
- Where granting a concession on government funded and reportable training, evidence of eligibility for that concession must be taken and kept with the student file. Evidence may include, for example, a Centrelink Concession card (CRN number) which has been sighted, noted on the student enrolment form, copied and placed with student enrolment file, etc.
- Fees should form part of course information published on the website. The Coordinator is responsible for this.

Fee schedules

- Fee schedules, outlining all costs *per unit* to be undertaken - including tuition, resource, amenities etc. are to be prepared periodically using the Victorian Government fee guidelines.
- Students are to be given the fee schedule prior to completing enrolment.
- Fee Schedules are to be signed by the student, upon agreeing to pay these fees, and the signed schedule is to be kept with the student enrolment forms for 1 year after completion of the student training.
- Fee schedules contain fee information, but do not replace the Fees and Concession Policy or Granting of certificates... Policy.

Fee refunds

- Fees for courses offered by this Centre are payable by the client, or by any organisation representing the client, such as an employment agency.
- Fees are paid in advance when taken from the client, and invoiced where an agency has provided a purchase order for a client.
- Where a client requests a 100% refund, this must be received within 7 days of the course commencement. Requests received inside this time are only refunded at the discretion of the Administration team.

Document Name	Policy 4_Finances.docx	Created by	Manager
Revision	13.0	Approved by	
Revision Date	September 2024	Original Version 1	2003
Next Scheduled Review	September 2027	Page Number	6

- Refund requests after course has commenced or completed will not be granted unless in extreme circumstances and with documentation, e.g. a medical certificate.
- In some circumstances, alternative enrolment may be offered in place of a refund.
- Partial fee refunds for part way cancellation of enrolment will not be paid unless in extreme circumstances.
- Where a client is a 'no-show' – does not show up to a course and does not inform the Centre they are not showing up, no refund will be available. This includes agencies paying for clients.
- Refunds will not be offered to agencies. However, unpaid invoices may be voided, or alternative enrolment may be offered.
- Cancellation of a course by BCAL for any reason will mean participants receive a full refund.
- Complainants may be granted a full or partial refund or a complimentary enrolment only if their complaint is judged valid by Administration and the Board.
- Refund requests will be relayed to the Bookkeeper and include all relevant details. Refunds will be paid by cheque as part of the monthly cheque run.
- The Centre must ensure it has sufficient funds in the bank account/s to cover all possible refunds.
- All clients should be made aware of the refund policy prior to their commencement.

4.6 Fraud - financial

- All payments are made by cheque. These are double signed by two of the registered signatories of Bass Coast Adult Learning Inc.
- The attached Delegation of Authority document covers the treatment of all expenses related to Bass Coast Adult Learning Inc.
- Petty Cash is to be kept to a \$200 limit per month.
- COM undertake a review of financial matters each month at Board meetings.
- Annual audits are undertaken as follows:
 - Financial - by an independent auditor/accountant
 - Risk assessment - by Bass Coast Adult Learning Inc. Board and Staff
 - Regulatory - by governing bodies
- All Bass Coast Adult Learning Inc. documents are reviewed by Board and regulatory bodies, and are subject to version control.

4.7 Financial audits

- The Centre is obliged to undergo a full financial audit annually by an independent auditor.
- Financial Audit reports are presented at the Annual General Meeting and sent to registering bodies. Information from annual financial reports form part of annual funding contract applications.
- All financial and other records will be made available for the financial audit. Staff will assist in this audit where possible.

4.8 Funding

- Funding applications are the responsibility of Administration and passed by Board.
- BCAL will keep timely accurate records and statistics and undertakes that it will complete the required reporting to comply with the funding guidelines. Funding is contingent on timely reporting.
- BCAL is a not for profit organisation that is principally funded by:
 - The State Government - education department (DEECD) – Higher Education Skills Group
 - and*
 - Education department (DEECD) Participation Branch– ACFE Learn Local
 - AMES – Adult multicultural education service
 - Fee for service
- Funding sources are kept as separate line items in the accounts e.g. ACFE funds, DEECD funds, AMES funds, grants etc.

4.9 GST records and taxation

- All payments must be supported with appropriate GST tax invoices. If an ABN is not stated an appropriate tax exemption statement is required.
- All account recordings must clearly show whether GST is applicable and the correct GST amount must be recorded.
- The Centre is registered for GST and this is remitted monthly to the ATO via the BAS statement.
- All casual and/or sessional tutors are to present an invoice for payment. They are responsible for their own taxation arrangements and payments. Any misrepresentation in this matter is the responsibility of the tutor, none of BCAL.
- All other employees, permanent or casual, are taxed at the rate stipulated in ATO guidelines.
- Employees need to stipulate if they are eligible for general exemption and or are liable for tax liabilities eg HELP provisions, paternity payments.
- PAYG tax withheld is paid monthly through the BAS statement.
- Tax amounts withheld should be shown to employees on their fortnightly pay slips.

4.10 Insurance 3.16, 5.8

- BCAL carries full insurance, including Public Liability, and holds that insurance as a major priority to ensure that a safe and secure environment is provided for all.

- Current (annual) insurances held by the Centre are outlined in the table below:

<i>Type of insurance</i>	<i>Provider</i>
Public and Products Liability - to \$20,000,000	VIMIA
Professional Indemnity – to \$20,000,000	VIMIA
Directors’ and Officers’ Liability incorporating Entity Liability – to \$20,000,000	VIMIA
Medical Indemnity – to \$20,000,000	VIMIA
Personal Accident	VIMIA
Volunteer Care Givers Property Damage	VIMIA
Entity Fidelity	VIMIA
Workers Compensation	CGU
Industrial Special Risks	QBE

- The VIMIA Public Liability Policy covers employees, users and volunteers connected with the Centre. This is at no charge for community organisations.
- The Shire has certain insurance requirements as part of our lease arrangement. Financial Managers must be aware of these and ensure they are adhered to and the Centre has adequate insurance to cover these requirements.
- Equipment and buildings are covered with fire, private theft and burglary insurance. This covers items owned by the Centre. The Board of Management is responsible for the review and update of insurance requirements.
- Buildings are ensured by the Shire. However, as stated in our lease, we may at any time be liable to reimburse those costs.
- Accident report forms are available from the Manager.
- Leasing obligations have to be met in line with insurance statements on lease.
- The Board of Management does not take responsibility for valuables left unattended at BCAL. All personal items are brought into BCAL at owners own risk; including vehicles.
- Centre Staff must notify our regulatory bodies should any insurance policy be cancelled for any reason.
- Insurance must be maintained for 7 years after current term.

- The currently employed Bookkeeper is responsible to ensure insurance policies and payments are kept up to date, supported by the Manager.
- If required by lease, the Centre will reimburse the lease holder (Bass Coast Shire) the costs of building insurance

4.11 Legislation

- All Centre operations are regulated by numerous legislatures. These cover areas such as privacy, record keeping, education, discrimination and all areas of Centre operations.
- Victorian Legislation and Parliamentary documents available at www.legislation.vic.gov.au, Commonwealth Legislation available at www.comlaw.gov.au
- All Staff are to be aware of the legislation that affects their areas of operation.
- Staff are encouraged to inform if some legislation is out of date or not included but is relevant to their operations.
- Legislation relevant to financial procedures:
 - Audit Act 1994
 - Equal Opportunity Act 2010
 - Freedom of Information Act 1982
 - Information Privacy Act 2000 / Privacy Act 1988 including the 2014 Australian Privacy Principles
 - Occupational Health and Safety Act 2004
 - Public Records Act 1973
 - Superannuation Guarantee (Administration) Amendment Act 2012
 - Further Education and Training Act 2013/2014
- All admin personnel should have knowledge of the basics of these legislature/acts.

4.12 Petty cash 5.10

- A Petty Cash book is to be kept with a float of \$200.
- The system is to be administered and accessed by authorised Admin Staff only.
- All vouchers and attached receipts are to be kept together with the Petty Cash book.
- Reimbursement will be monthly; a cash cheque will be issued and the value of Petty Cash payments will be added into expenses in the accounts payable.
- The maximum value for any item in petty cash is \$50.
- Drinks sold to users of BCAL are not part of Petty Cash.

4.13 Reporting and Record keeping 5.12 , 5.14

- Reports are recognised as one of BCAL’s most important communications tools. Regular reports are required for performance assessment, review and planning. It is important to keep up to date and accurate records for accurate report information.
- Reports should be regular, relevant and accurate.
- Reports may be of a financial, administrative, funding, enrolment, continuous improvement or general nature.
- Funding body reporting, as per yearly accountability calendar, is of primary importance and is a top priority with Staff. This reporting takes the form of entering data on the enrolment recording software (VETTRAK), and uploading to the funding body secure website via AVETMISS monthly.
- Annual audited account statements are to be sent to certain regulatory bodies (ACFE, Department of Business) as required.
- Staff are to be given every opportunity to fulfil reporting requirements and to attend PD and training sessions to assist with effective reporting.
- BCAL keeps complete records and accounts of all dealings with the VET Funding Contract.

- BCAL can supply any information required by the Department regarding the Organisation's financial position, use of the Funds and/or the capacity of the organisation to deliver the Training Services to government subsidised individuals.
- BCAL complies with the relevant legislation as required.
- BCAL ensures that accounting records in relation to the funds can be audited by the Auditor-General of Victoria or any other entity as directed by the department.
- BCAL will ensure that all records relating to participation in training and related to the Services are retained for the periods outlined in the current VET Funding Contract and under any other relevant Act or standard.
- All files will be made available for audit or other purposes upon official request.

4.14 Staff records and leave

- Leave provisions for accrued leave and superannuation will be recognised in the accounts.
- In general, annual leave will be taken during the term and Christmas breaks. Where this time is longer than the four (4) weeks leave entitlement, employees will be required to demonstrate to the Board their entitlement for the extra time as stand down leave.
- Long service leaves to be accrued after 10 years should be provided for in budget considerations.
- Sick leave provision for permanent Staff are 5 days without a doctors' certificate and as needed with a doctors' certificate.
- Information required from new Staff members includes chosen superannuation fund details, address and taxation details and bank account details for direct deposit of wages. This information is to be kept securely, in electronic and/or paper form.

4.15 Superannuation

- BCAL undertakes to meet government requirements relating to superannuation for full-time Staff.
- Superannuation is calculated fortnightly and paid monthly.
- The Centre uses the HESTA Super fund as their default provider.
- All new employees at the start of their employment are to be given an application form for superannuation and are encouraged to fill these out immediately.
- Superannuation is taken from the first pay received and every pay thereafter until working ceases.
- Where there is no pay for the employee, such as in long holiday breaks, superannuation is not paid.
- Casual sessional tutors presenting an invoice for payment do not receive superannuation

Document Name	Policy 4_Finances.docx	Created by	Manager
Revision	13.0	Approved by	
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Next Scheduled Review	September 2027	Page Number	10