



FINANCIAL PROCEDURES OVERVIEW

South West Arts staff and board carry out a range of financial procedures to deliver the day to day services of South West Arts. This document explains the practical aspects of these procedures and is designed to be used in conjunction with the South West Arts Finance Policy to deliver sound financial management of the organization.

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FINANCIAL PROCEDURES EXPLAINED

1. Annual Budget

An annual budget projection should be developed by staff in October of each year and discussed with board in readiness for adoption in December. Staff will then be obliged to work within the budget projection, and present quarterly updates of budget to actuals to the executive at finance meetings.

2. Bank Accounts

South West Arts operate two bank accounts:

Community Solutions Cheque Account

Bank Account Details	Interest rate Bank Fee
Cheque Signatories	Airlie Circuit (Co-Chairperson) Nina O'Brien-Hehir (Executive Officer) Sam North (Treasurer)
Internet Signatories	Nina O'Brien-Hehir (Executive Officer) David Doyle (Finance & Admin Officer) Sam North (Treasurer)
Purpose	Work account
Balance Details	Minimum balance \$2,000.00 Maximum balance \$10,000.00
Other Information	

Cash Management Account Investor Option

Bank Account Details	Interest rate 0.75% - 3.75% Bank Fees \$0.25 - \$2.50
Cheque Signatories	Airlie Circuitt (Co-Chairperson) Nina O'Brien-Hehir (Executive Officer) Sam North (Treasurer)
Internet Signatories	Nina O'Brien-Hehir (Executive Officer) David Doyle (Finance & Admin Officer) Sam North (Treasurer)
Purpose	Interest earning account
Balance Details	Minimum balance \$10,000.00 Maximum balance \$150,000.00
Other Information	

The Community Solutions Cheque Account is used make cheque and internet payments for the day-to-day costs incurred by South West Arts Inc. Sam North in his capacity as Treasurer needs to become an authorized Cheque and Internet Signatory.

The Cash Management Account Investor Option is the interest bearing account and is used to transfer funds to the work account as necessary.

3. Payment of accounts

All cheque and internet requisitions are prepared by the Finance and Administration Officer detailing the creditor, amount and description of expenditure. The requisitions are reviewed by the Executive Officer before the payments are prepared. Upon authorization of the requisitions, internet

payments are processed online and cheque payments are signed by the Chairperson and Executive Officer.

4. Credit Card Accounts

The Executive Officer is authorized to use a Credit Card (\$4,000.00 limit) for all day-to-day expenditure. However, any costs incurred over \$2,000.00 must be referred to the Executive Committee and authorized before payment is made. All receipts are kept and cross-checked against the monthly statement by the Finance and Administration Officer.

The credit card statement is tabled monthly before the Executive Committee and quarterly before the entire Board. The cash advance facility was removed from the credit card at the commencement of Nina O'Brien-Hehir's tenure as Executive Officer.

5. Internet Payments

South West Arts Inc has a daily limit of \$5,000.00 for internet transactions. Payments under \$2,000.00 are processed and authorized by the Executive Officer and Finance & Administration Officer. Payments over \$2,000.00 (except wage payments) need to be referred to the Executive Committee and authorized before payment is made.

6. Accountant/Auditor

Mr Peter Rae
Brian McCleary and Co Accountants
PO Box 1282
Deniliquin NSW 2710
Ph: (03) 5881 7999 / Fx: (03) 5881 7307

The accountancy firm is responsible for the data entry of information provided on the Banklink Coding Reports supplied by the Finance & Administration Officer each quarter. They also provide advice, interim reports and an audited financial report at the end of each financial year.

7. Bank-link System

BankLink collects data from financial institutions and creates a secure electronic copy of statements called a Coding Report. The Finance & Administration Officer provides information detailing the cost description, GST component and category code on the monthly report. The Accountant then enters this information into the BankLink program. The updated information is transferred to software held by South West Arts Inc and financial reports are generated.

BankLink was recommended by the Accountant to offset the poor organisation and record keeping of South West Arts Inc. The lack of supportive documentation and inefficient financial management records pre-empted the use of this particular program.

8. On-line teleconferences (Executive Committee)

The Executive Committee, which consists of the Co-Chairpersons (2); Deputy Chairperson (1); and Treasurer (1) conduct a monthly teleconference. This is generally held for 30 minutes prior to the full meeting of the Board. The Executive can then accurately report to the Board the true financial status of the organisation. At each teleconference the following documents will be provided to the Executive at least one calendar week prior to the meeting for perusal and discussion.

- Credit Card Statement
- Main Account Statement
- Day to Day Account Statement
- Updated monthly Budget Vs Actuals

In the interest of good governance, this is your opportunity and your role to ask questions of the staff with regard to individual expenditure items, or finance procedures in general.

9. Petty Cash

The Project Officer is solely responsible for the expenditure and reconciliation of a petty cash float of \$100.00. This allows small day-to-day expenditure whilst the Executive Officer is not in the geographical vicinity. It also provides the Project Officer with practical learning experience on budgets and record keeping.

10. Finance Policy

South West Arts Inc has created a draft finance policy, which needs to be reviewed and adopted by the Board before the beginning of the next financial year.

11. Fiduciary Duty

A fiduciary duty will often involve obligations to avoid conflicts and to act in a manner consistent with the interests and expectations of South West Arts Inc, to whom the fiduciary duty is owed.

12. AGM

The audited Financial Accounts are presented to the Board and Committee Members prior to the Annual General Meeting. This information is also tabled at the AGM for discussion before being accepted as a true and accurate record of the finances.

13. Fuel Cards

South West Arts Inc has two (2) fuel cards registered with Mobil Oil Australia Pty Ltd. It is a requirement that a minimum of \$500.00 per month be spent using the cards. Therefore, it is encouraged that staff utilize Mobil service stations as much as possible.

South West Arts Inc receives a monthly statement and the expenditure is debited directly from the Cheque account.

14. Other