



Expenditure Approval Policy

Policy

This policy establishes the financial control over purchases, receipt of goods and services, and payment of vendor invoices. A process of pre-approval according to a Level of Authority (LOA) and use of Purchase Orders, and then Dual Signatories approving payments will be maintained. The planning and financial budgeting process form an integral part of expenditure control.

Summary of policy sections

- Define the **pre-approval Level of Authority expenditure limits** for each 'Association Function'.
- Define the **Process Flow** for expenditure and compensating controls.
- Define the use of **Purchase Orders** as a means to appropriately control expenditure in the accounting system (Xero).
- Define the **Exemptions** for pre-approval of general expenditure.
- Define the use of Association **Credit Card** usage.
- Define **Payroll** payment approvals.
- Define **Online Banking** payment approvals.

Pre-approval Level of Authority (LOA) expenditure limits

Requests to commit the Association to expenditure that are **Budgeted >\$5,000, Unbudgeted or a Fixed Asset** must be pre-approved by the Association Functions as defined below. Budgeted amounts less than \$5,000 are exempt from pre-approval, but must follow Purchase Order requisition policy below.

Association Function approver	Limit A\$ (excluding GST)	Remarks
General Committee	>\$10,000	Resolution is recorded as a minute
President	\$10,000	Email: copy the General Committee and General Manager
Vice President (Association house)	\$5,000	Email: copy the President, General Manager and Treasurer
General Manager	\$1,000	Email: copy the President, General Manager and Treasurer
Treasurer	\$1,000	Email: copy the President, General Manager and Treasurer
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		Email: copy the President, General Manager and Treasurer
		Email: copy the President, General Manager and Treasurer

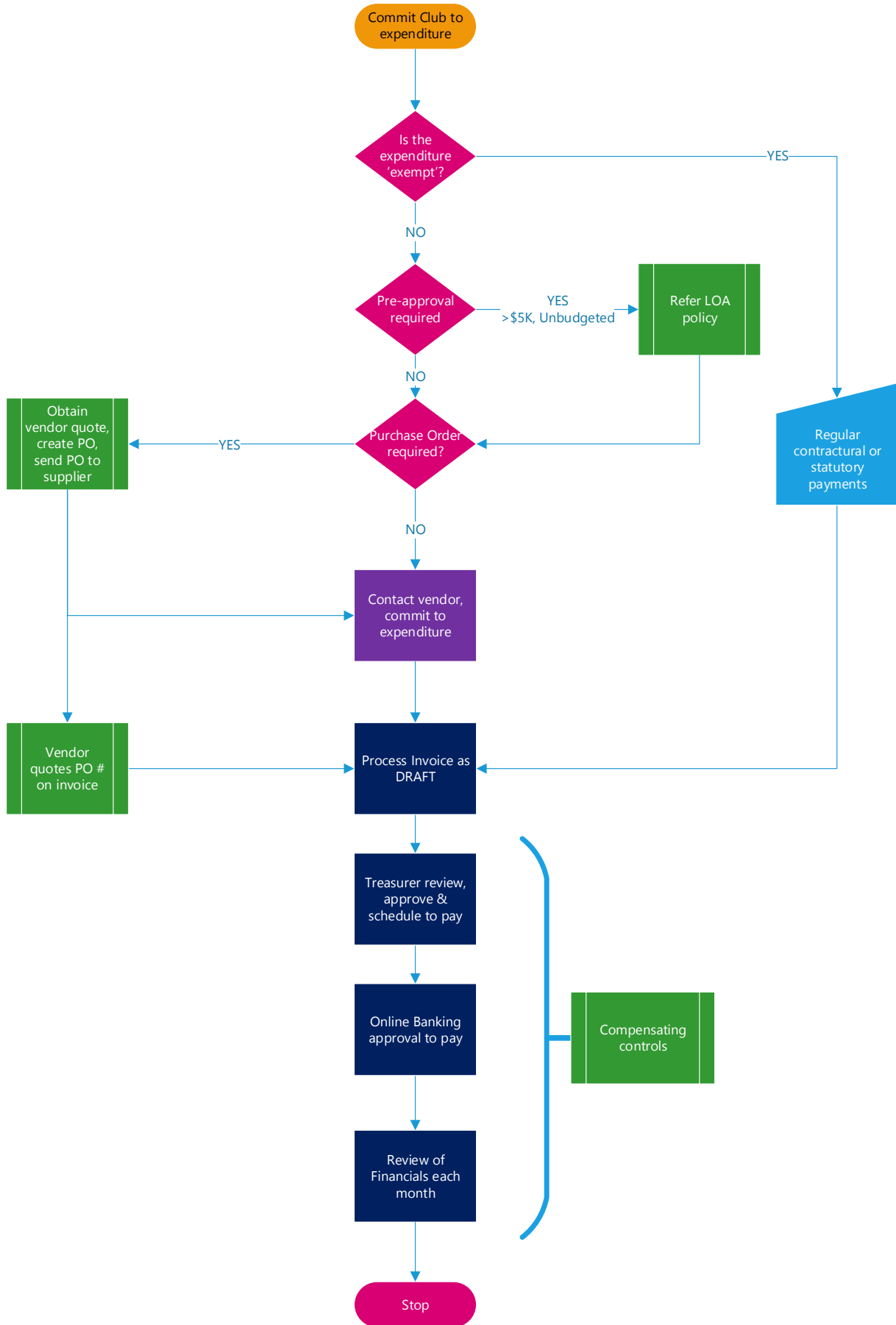
Purchase Order requisition policy

For requests to commit the Association to expenditure greater than A\$500, a purchase order must be created in Xero. (Recurring expenditure is subject to a contractual arrangement and therefore a PO is not required. See 'Exemptions' below.)

Once pre-approval has been given per the LOA; a Xero purchase order (PO) will be created for the quoted vendor amount. The PO will be sent to the vendor via email and the vendor must quote this PO number on their invoice for Xero processing.

Purchase Order process summary;

1. Request vendor quote to provide goods or service (excluding GST)
2. Request pre-approval per the LOA above
3. If greater than A\$500 (excluding GST), request that a PO be created in Xero
4. Office staff: create Xero PO in draft mode
5. Treasurer: check, approve and send PO to the vendor
6. Vendor provides good or service and sends invoice with PO number quoted
7. Office staff: process the invoice against the PO



Exemptions for pre-approval of general expenditure

Where recurring expenditure on a periodic basis occurs based on a contractual agreement, the normal PO requirements are waived. Instead annual approval is given based on the LOA limits above. Where appropriate, contracts should be reviewed, approved and documented annually.

Examples of this expenditure type include; Utility supply (telephones, electricity, water, etc.), Council Rates, Loan repayments, Insurance financing payments, Waste Management, Cleaning, Security Monitoring, etc.

Association Credit Card usage and approval policy

Usage of the Association Credit Card is subject to the pre-approval LOA limits described above.

Payroll payment approvals policy

Each Payroll run must be approved by either one of the President, Vice President or Treasurer.

The GENERAL MANAGER / Association Manager cannot approve payroll.

Expenditure type	Limit A\$ (excluding GST)	Approver
PAYROLL	Unlimited	President, Vice President or Treasurer

Online Banking payment approvals policy

Online banking payment batch preparation cannot be done by a signatory of the bank.

Online banking payments must be approved by 2 signatories to the bank account.