

# Financial Management Policy

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## 1. Purpose

- 1.1 This policy provides a framework for the financial management of Perth Bible College's monies. The purpose of this policy is to set out and communicate broad financial management rules and principles that will assist relevant staff in meeting the responsibilities outlined below.

## 2. Scope

- 2.1 This policy applies to all staff of Perth Bible College.

## 3. Responsibility

- 3.1 The College Administrator has the overall responsibility of the day to day operations of the financial affairs of the College under the direction and guidance of the Principal and Board of Directors.
- 3.2 It is the responsibility of the Principal for the implementation of this policy.

## 4. Definitions

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## 5. Policy Provisions

### Principles

- 5.1 Perth Bible College has compliant financial management practices in place, as required in legislation and by government agencies.
- 5.2 This policy is to ensure that College funds and resources are only used for College purposes, and that appropriate financial controls are developed, documented and applied to prevent the abuse or misuse of College funds and other resources.

### Operating Principles

- 5.3 The College Administrator has the overall responsibility of the day to day operations of the financial affairs of the College under the direction and guidance of the Principal and Board of Management.

- 5.4 The Board shall nominate and approve those persons who shall be authorised to operate in respect to payments and transfers from College funds. All payments and transfers require the authorisation of two persons authorised by the Board.
- 5.5 The College Administrator under the management of the Principal shall ensure a realistic and prudent budget is prepared for approval by the Board. The Budget should be prepared in light of the Strategic Plan approved by the Board and under the management of the Principal. The Budget should include Income and Expenditure Projections, Cashflow Projections and requirements, and recommended Capital Expenditure projects.
- 5.6 The Board should review the budget, cash projections and projected capital expenditure projects and consider them for approval, subject to any modifications it deemed necessary. The approval will take place prior to the commencement of each academic year.
- 5.7 The Board's approval of the Budget and capital expenditure projects shall be sufficient authorisation for the College Administrator in conjunction with the Principal to incur expenditure that is included in the budget, subject to:
  - 5.7.1 any conditions imposed by the Board;
  - 5.7.2 prudent financial management procedures; and
  - 5.7.3 where expenditure of an operational or capital nature is seen to be necessary and provision has not been included in the approved Budget/Capital Expenditure projects, approval for such expenditure shall be sought from the Board prior to committing the College to that expenditure.
- 5.8 Where deemed appropriate (usually after enrolment numbers are confirmed) a revised budget may be prepared and presented to the Board for consideration and approval.
- 5.9 The College Administrator in conjunction with the Principal shall be responsible to keep the Board informed about the financial affairs of the College by providing written reports for each meeting of the Board.
- 5.10 The College Administrator in conjunction with the Principal are responsible for preparing the accounts for auditing as soon as practicable after the end of the College's financial year (31 December). The reports shall be audited by the appointed independent registered company auditor as soon as possible following the financial year end.

- 5.11 Upon completion the Audited Accounts shall be presented to the Board for approval prior to presentation at the Annual General Meeting of Members.
- 5.12 The day-to-day financial operations are under the direction of the College Administrator in conjunction with the Principal.

### **Bank Accounts**

- 5.13 The College's Bank accounts are for the collection of monies and payment of accounts belonging to the Perth Bible College. Perth Bible College is a deductible gift entity approved by the Australian Taxation Office.
- 5.14 The College holds the following bank accounts:
  - 5.14.1 Perth Bible College - General: A general cheque account for day to day operations of the College.
  - 5.14.2 Perth Bible College - Telesaver 1 - Investment: An interest-bearing account used to invest excess monies.
  - 5.14.3 Perth Bible College - Telesaver 2 - Prepaid: An interest-bearing account used to preserve monies allocated for:
    - 5.14.3.1 pre-paid student's fees for semester/s not being the current semester;
    - 5.14.3.2 PBC Foundation funds; and
    - 5.14.3.3 Other monies specifically allocated and held for a particular purpose.
- 5.15 The College may operate other accounts from time to time for the investment of surplus or designated funds on hand.

### **Record Keeping**

- 5.16 The financial records of the College shall be kept in accordance with Australian accounting Standards and Interpretations as they apply to not for profit organisations and shall be audited annually by an independent registered company auditor appointed by the Board. The audited financial statements shall be approved by the Board prior to presentation to members at the Annual General Meeting.
- 5.17 The primary accounting records are recorded in QuickBooks and other supporting software. Academic records are recorded separately using Paradigm software. The College Administrator under the direction and guidance of the Principal has primary responsibility for the financial records.

## 6. Policy Information

<b>Date first approved:</b> 28/03/2014	<b>Date of effect:</b> 28/03/2014	<b>Date last amended:</b> 17/08/2021	<b>Date of next review:</b> 17/08/2022
<b>Approved by</b>		Board of Management	
<b>Authorised Officer</b>		College Administrator	
<b>Supporting documents, procedures &amp; forms of this policy</b>		<i>Financial Management Procedure</i>	
<b>Related Legislation and Codes of Practice</b>		<a href="#"><u>Higher Education Standards Framework 2015, Part A: Standard 6</u></a> <a href="#"><u>Tertiary Education Quality and Standards Agency (TEQSA) Act 2011</u></a>	
<b>Audience</b>		Public	

## 7. Version History

Review Table			
Date	Review Type <ul style="list-style-type: none"> <li>Scheduled</li> <li>Policy amendment</li> <li>Admin update</li> </ul>	Summary of Changes	Review person/group
28/3/14	Initial Issue		Adam Niven, David Smith, BoM
14/2/18	Scheduled		David Smith
06/08/2019	Policy amendment	New template and amendments made.	Natalie Tierney Capital Review Group consultant
17/08/2021	Admin update	Authorised officer changed to College Administrator.	Chris Burton