

Financial Controls Policy

Introduction

1. As a financial entity, it is imperative that the Creative Glass Guild of Queensland Incorporated (the Guild) safeguards its assets, ensures financial accuracy and maintains compliance with regulations. The Management Committee (MC) is responsible for the financial management of the Guild and to ensure prevention of fraud, errors, and inefficiencies, and is also responsible for promoting transparency and building trust with stakeholders.

Purpose

2. The purpose of this policy is to:
 - a. outline financial delegations for the Guild
 - b. outline operational requirements relating to financial decision making,
 - c. ensure that all expenditures made in the name of the organisation are authorised and independently reviewed
 - d. identify risks, and include effective mitigation strategies and controls.

Overarching Legislation & Standards

3. The Guild is governed by the Creative Glass Guild of Queensland Constitution adopted on 4 November 2024.
4. The Constitution is created under the Associations Incorporation Act 1981.
5. The Guild will comply with all Australian Accounting Standards and other authoritative pronouncements.

Financial Delegations

6. **Budget:** The MC will set a budget of expected expenditure yearly. This will include a review of all monthly, quarterly, annual, and expected ad hoc payments (such as tutor fees). There is currently no set 'budget reserve' since the Guild is in a solid financial position, and can afford to buy big ticket items (such as kilns) should replacing be required.
7. **Payment Authorisation:** All expenditure must be approved or ratified by the Management Committee. Payment authorisation can be made either via the annual budget, a specific request approved during a MC meeting (or General Meeting of members), or by other avenues approved by the MC, such as through a written delegation to the MC, or via an out-of-session email with more than three MC members approving the expenditure (in line with meeting quorum requirements).
8. **Two to sign:** as per the Guild's Constitution, any electronic funds transfer must be approved by any two of the following: a) president, b) treasurer, c) secretary, d) and other person authorised by the MC. This may include a role to process refunds via the WooCommerce platform.

9. **Spend limits:** The following spending limits are available to the Management Committee to enable operational functionality of the Guild:

Maintenance	Repairs to, or replacements of, facilities and equipment	\$5,000
Non-Stock Items	Items not normally held in stock for sale at the Guild	\$5,000
Stock Items	Stock that is generally available for day-to-day operations and for sale to members	\$15,000
Suncorp Visa Debit Limit	For purchase of items as required for the everyday running of the Guild	\$2,500
Petty Cash Float	For cash sales transactions at the Guild	\$70

Amounts outside of those listed require approval at a General Meeting of members.

10. **Refunds:** as per the Guild's Constitution, the MC may authorise a delegate to pay refunds (without the need for two to sign).

11. **Conflict of interest:** any person who has an actual or potential conflict of interest of any payment, approval of supplier, approval of an agreement or contract with an external party, must declare that conflict to the MC, and either comply with any MC direction, or withdraw from involvement in the transaction. Alternative signees must be sought for the two to sign policy.

12. **Subcommittees:** As per the Guild's Constitution, the MC shall take an active role in any subcommittees that are required to complete a task eg Showcase or any building project. The subcommittee will report directly to the MC and request any required budget or cash float requirements for the event or project.

Funds and accounts

13. As per the Guild's Constitution: The funds of the Guild must be kept in one or more accounts in the name of the Guild in a financial institution decided by the management committee.

The Guild currently uses Suncorp Bank, and has 3 accounts:

- Everyday transactional account – used for payments in & out (capped at \$5k per day)
- Savings account – an interest earning account for surplus funds
- Visa Debit – allows payments to be made using VISA facility for online or credit-like purchases, but with access to funds held only in this isolated account

14. **Access to accounts:** Suncorp has different approval rules for banking and the merchant facility (eftpos machine). The following authorisations apply within the Guild:

ITEM	DETAIL
Suncorp – Account access	Authority for President, Treasurer, Secretary and Vice President to have access to accounts to make, or second payments. Volunteer coordinators who require "View" access to undertake role - Course Coordinator, Membership Coordinator

Suncorp – Visa Debit Cards	Authority for President, Treasurer, Secretary, Vice President & Stock Co-ordinator to hold Guild visa debit cards to purchase items as required for the everyday running of the Guild.
Merchant Facility	Approve President, Treasurer, Secretary and Vice President to make changes/transactions to Merchant Facility on behalf of Guild.
PayPal	Authority for President, Treasurer, Secretary and Vice President to have access to accounts to view transactions or manage money.
Stripe	Authority for President, Treasurer, Secretary and Vice President to have access to accounts to view transactions or manage money.

15. **Income:** The Guild earns funds from the sale of courses, sale of glass, tools and other inventory items, membership fees, Showcase sales, equipment hire and gift cards. These income sources are strictly allocated to a separate chart of accounts in our accounting system QuickBooks for ease of reconciliation, for presenting to the MC and members, and to allow for financial reporting.

16. **Cash Float:** An amount is held in cash at the Guild to facilitate change being given for shop sales paid in cash. Float cash is NOT to be used for reimbursements or payments of any kind. Any cash payment is to be noted on the sales receipt duplicate & Transaction Record form, and cash stored as directed in the sales process until banked (preferably within 7 days). Any lost cash is to be reported to the MC immediately.

Events held throughout the year may require an additional float ie. Showcase. Any additional float amounts to be withdrawn from Guild accounts require advance approval in writing from the Management Committee. Float withdrawals must be returned to the account within 5 working days of the conclusion of the event. Documentation of the transactions shall be stored as supporting material on Quickbooks.

Debit/Credit Cards

17. As per the Guild's Constitution, s9.1.4:

The management committee is authorized to have a debit or credit card provided by a reputable financial institution and an authorized delegate may use this account for financial transactions in accordance with the Guild's financial controls policy.

18. Authorised delegates include a) president, b) treasurer, c) secretary, d) and another person who has been authorised by the MC. Only the authorised signatory may use the card.

Web based systems and plugins may require card details to be stored for automated payments. The treasurer is to hold a list of these subscriptions and addons, and the nominated card that will be used. Budget and approval for all transactions is to be recorded prior to being expensed. It is noted that an outsourced Web Services consultant may have access to these details, and all spending will be closely monitored for compliance with this policy.

19. The card is to be a Visa debit card linked to a separate Guild bank account, with a balance limited to that listed in the delegations table above. All card holders share this

pool of funds, so will need to communicate with other card holders if the balance is significantly reduced. Top ups can be activated by the Treasurer and seconded as per two to sign delegations.

20. The debit card is to be used for small amount spending for operational purposes. Any expenditure must be pre-approved by the MC. Any large spend items should be purchased via bank transfer and follow the two to sign rule.

21. Cards can be used for the payment of goods and services or expenditure for legitimate business purposes. As soon as possible, the tax invoice/receipt/documentation must be provided to substantiate every purchase made, and meet tax requirements. These details will be recorded in the Guild's accounting system, and must be submitted before the end of the month of purchase.

22. Card details must always be kept secure, and not be unnecessarily shared. Lost or stolen cards must be reported and deactivated immediately. Online payments must be made on valid and secure websites.

23. Transactions will be monitored, and spending compliance will be cross-checked by the Treasurer monthly. Any fraudulent or incorrect transactions, or suspect transactions or activity is to be reported, investigated, resolved & actioned immediately.

24. If spending is found to be outside of approved delegations or budget, or not in line with Guild policy, rules or ethos, or not for a business-related purpose, rectifying steps may include:

- a verbal or written warning
- suspension or termination of card
- personal reimbursement of expenses incurred
- formal disciplinary action, and/or
- criminal charges

25. Cards are to be suspended or terminated when the responsible position is vacated, if cardholder is on extended leave or absence, or when requested by the person, or the MC. The bank is to be advised, and the card holder is to destroy the card.

26. Cash advances using the Debit card are prohibited, except for obtaining a cash float for events such as Showcase. In this instance ATM receipts for both withdrawal, and the re-depositing of the cash are to be provided within 3 days and recorded & attached in the accounting system.

Tax related activities:

27. Goods & Services Tax (GST): The Guild registered for GST from 1 March 2024.

28. BAS: Business Activity Statements (BAS) are lodged quarterly as per Australian Tax Office (ATO) guidelines via a nominated Tax Agent (see 30).

29. Self-Assessment: The ATO's not-for-profit self-assessment form is lodged annually by the nominated Tax Agent (see 30).

30. The Tax Agent must be registered with a current registration. The Tax Agent once engaged is voted on at a general meeting. The Tax Agent will be responsible for

lodging the Guild's BAS returns and self-assessment as a not-for-profit entity. The Tax Agent can correspond with the ATO as required.

Financial Statements & Audit

31. As per the Guild's Constitution, as soon as possible after the end date of each financial year (31 December), financial statements will be prepared for the last reportable financial year. These reports will be presented at the Annual General Meeting for adoption. These reports will outline the assets, liabilities, income and expenses and will give a true and fair view of the Guild's financial position and performance for the financial year.

32. Under the *Associations Incorporation Act 1981* the Guild is considered to be a Medium Association (assets: cash, shares, accounts receivable & short term investments) between \$300,000 & \$1M and/or total revenue (all income prior to expenses in the last financial year) between \$150,000 and \$500,000) which requires a registered auditor or accountant to verify the financial statements, rather than audit them. This Verification Statement 'states that the association's financial records show the association keeps adequate financial records to correctly record and explain transactions to enable a true and fair financial statement to be prepared'; and 'is signed by the association's president or treasurer'. However, the Guild chooses to undertake a full audit of the financials for transparency, completeness and the protection of its members & MC.

33. The nominated auditor for the following financial year is appointed at the AGM. The Guild will maintain an open and transparent relationship with external auditors to ensure any issues are identified and resolved in a timely manner.

34. These financial statements will be lodged with the Office of Fair Trading (OFT) annually after the AGM, as required by the *Incorporated Associations Act 1981*.

Remuneration disclosure

35. In line with the Associations Incorporation Act 1981 the Guild must disclose remuneration paid and any benefits given to committee members, senior staff, and their relatives at its AGM in the financial statements, or in a written remuneration statement for the financial year. This can be reported as the total amount of all remuneration and benefits paid and the total number of people remunerated. If the Guild did not provide remuneration or other benefits, this can be stated verbally, but it must be recorded in the AGM minutes.

Accounting

36. The Guild uses accounting package QuickBooks to record and track financial information. QuickBooks reports are used for asset management, budgeting and information management.

37. The Guild can pay a Bookkeeper for the required hours per month if a volunteer member is not found. The role of the Bookkeeper is strictly overseen by the Treasurer and MC. The Treasurer's role is one of training and ensuring due processes are followed. Monthly reports are reviewed and presented to the MC for information.

38. The Bookkeeper's role is one of data entry from source documents. The role can include processing of accounts payable and receivable, including accounting for GST.

Reconciliation of all accounts on a monthly basis, inventory adjustments, and preparation of monthly reports. Accurate record keeping and record storage. [Link to Bookkeeper role description.](#)

39. General Ledger reconciliations are an essential component of sound governance and review. Their purpose is to ensure that the Balance Sheet items in the trial balance are substantiated by supporting documentation and explanations. They allow for an assessment of the accuracy, validity and completeness of recorded assets, liabilities and equity balances, and every transaction. Reconciliations will be completed monthly. Responsibility sits with the Treasurer, but the transactional component can be outsourced to a paid Bookkeeper.

40. Journals are to be completed by the Treasurer (or other appropriately trained person as delegated by the MC, including a Bookkeeper). This should ensure only valid and accurate journals are entered into the accounting system to maintain financial integrity and corporate governance.

41. The Guild may use online payment providers such as PayPal and Stripe. Item 14 outlines who has access to these services. All transactions from these providers are logged within Quickbooks as income (or refunds) along with details and source documentation.

Payments to members

42. **Reimbursements:** expenses for pre-approved purchase of required items for the Guild can be reimbursed to members. The Claim for Payment/Reimbursement Form is to be completed, and tax invoice/receipts attached. Expenses will only be reimbursed if needed, authorised & reasonable. The Guild does not reimburse for travel or meals, unless in exception, pre-approved circumstances.

43. **ABN/Statement by a Supplier:** If a member requires payment from the Guild for the supply of goods or services, and does not hold an ABN (Australian Business Number), then a Statement by a Supplier form must be completed, so that 47% tax does not need to be withheld. More information can be found at:

<https://www.ato.gov.au/forms-and-instructions/statement-by-supplier-not-quoting-an-abn>.

Generally, the person is an individual, and the supply is made in the course or furtherance of an activity done as a private recreational pursuit or hobby. This requirement is important for Guild Tutor's providing a service as a member, and for members selling items at an event such as the Guild's Showcase.

Payments to suppliers

44. Any supplier must be approved and listed on the Preferred Supplier List held by the MC. Wholesale accounts may be established. Purchases must be made by authorised Guild members only.

45. Except for stock orders, purchases over \$1,000 must have three quotes provided.

46. Any purchase of goods or stock for resale from a 3rd party are to have a valid tax invoice from the seller. If the seller is a registered business the invoice is to state their ABN and if GST is included in the price. If the seller is unregistered, then a simple invoice stating what was purchased and the total cost will suffice.

47. All purchases received are to be checked against the original order, and confirmed to the Treasurer for payment along with all relevant documentation.

48. No single person shall have the authority to carry through all components of this process, without the buy in of other MC members.

Gift Vouchers

49. Gift vouchers can be purchased online via the Guild's website (<https://creativeglassguild.com.au/gift-vouchers/>). Vouchers are emailed automatically to the email address nominated by the purchaser. Vouchers are valid for 3 years from the date of purchase, in line with Australian Consumer Law. The purchase and expiry date will be on the voucher. No fees will be associated with the purchase or use of the gift card. The voucher number can be used for full or part payment of courses purchased online, or be used for in store purchases of tools, glass, supplied or membership. Copies of the voucher can be reissued if lost.

Assets

50. A fixed asset is defined as an item that is intended for productive use over a period greater than 12 months and the cost is equal or greater than \$1,000 GST exclusive. It is an item that will not be consumed or sold in the short term or as part of normal business operations. Fixed assets include tangible assets such as furniture, office equipment, computers, and tools, as well as intangible assets such as software.

51. Assets are to be recorded in the accounting system and given an asset number and recorded on the Asset Register by the Treasurer (or another delegated person). The asset register is to be reviewed annually at a minimum.

Depreciation

52. Depreciation of items is considered at the end of each financial year and documented with the asset register. This depreciation schedule will be maintained for any asset over \$300, taking into account that the useful life of an asset is then determined with consideration to expected usage, capacity, physical wear & tear, technical or commercial obsolescence, legal or other limits on usage be made available to the auditor. Any item with a written down value that is no longer useful shall be written off under the AASB standards. Adjusting depreciation journals will be processed at the end of each financial year.

END OF FINANCIAL CONTROLS POLICY

Appendix: [Claim for payment/reimbursement form](#)

Link: [Management Committee role descriptions](#)