



MG6	MASS Governance	Financial Management Policy and Procedures
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What this policy aims to do	Protect and promote the organisation's mission through sound governance and financial management structures
Who this policy applies to	Board members, staff and contractors of MASS
Who is responsible for carrying out this policy	Board members, staff and contractors of MASS
What words used in this policy mean	<p>'ASIC' is the Australian Securities and Investment Commission – the regulatory authority for company reporting obligations</p> <p>'ACNC' is the Australian Charities and Not-for-profit Commission – the regulatory authority for charity and not-for-profit reporting obligations</p> <p>'Audit' is an official inspection of an organisation's accounts and financial management systems by an authorised auditor</p>
Legislation this policy is based on	National Disability Service Standards
Other relevant policies	<p>MG1 Board Authority and Operations</p> <p>MG5 Delegations</p> <p>MG4 Risk Management</p>

Version	Date	Author/Editor	Approved by	Notes
1.0	26/8/2016	Peter Lane		
1.1	31/5/2018	D Stephenson		Update format
1.2	4/4/2019	D Stephenson		Added fraud into P&P

1.3	8/1/2020	D Stephenson		Added more details on bank accounts, authorisations, credit card, purchasing, debt collection.
1.4	29/2/2020	D Stephenson		Changed name from MBD to MG. Incorporated comments from Finance Manager.
1.5	14/5/2020	D Stephenson	14/5/2020 Board of Directors	Added statement in Fraud suggested by Board Member.
1.6	14/01/2022	T de Vries	27/01/2022 Board of Directors	Change Director to CEO, link to delegations framework.

Financial Management Policy

The MASS Board of Directors has a fiduciary duty to protect and promote the organisation's mission through sound governance and financial management structures. This includes planning, authorising, tracking and reporting both income and expenditure.

Sound financial management enables MASS to:

- Make effective use of its resources
- Keep the organisation viable and sustainable over the long-term
- Ensure compliance with all legal requirements on the use of public funds including requirements governing fundraising, taxation, accounting and service contracts.

The annual budget is the primary system for planning income and expenditure and tracking the organisation's performance during the financial year. The Board approves the annual budget and receives regular reports of income and expenditure against the budget throughout the year.

The Board must be informed of any potential risk of unplanned financial loss being incurred.

Finance Authorisation

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken: refer to [MG5 MASS Delegation Framework](#).

Bank Accounts

Requirements for the use of bank account, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions are detailed in the procedures.

Petty Cash

Petty cash should be used to pay for small business expenses up to \$100 where payments through accounts payable or credit card are not justified or appropriate.

Use of Business Credit Card

The CEO will authorise the issuing of a credit card based on an as-needs basis to be used only for work related purposes and the expenditure will be reconciled monthly and provide appropriate evidence of expenditure.

Purchasing

This is applicable to the purchase of goods, services, equipment and assets for MASS and relates to all purchases, except petty cash items. Where items to be purchased are less than \$100, either the petty cash or purchasing procedures can be used.

Debt Collection

MASS will reduce any outstanding debts by following the procedures for the late collection of payments from customers.

Fraud

Fraudulent activity of any kind, including for the benefit of MASS is expressly forbidden. The following policy establishes the procedures and responsibilities for reporting and resolving instances of known or suspected fraudulent acts.

Fraud is defined as follows:

- An intentional perversion of truth for the purpose of inducing another in reliance upon it to part with some valuable thing belonging to him/her or to surrender a legal right.
- A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive another so that she/he shall act upon it to his/her legal injury.
- Any kind of artifice employed by one person to deceive another.

For purposes of this Policy, the definition has been broadened to include:

- An intentional or deliberate act to deprive MASS or a person of something of value or gain an unfair benefit
- Using deception, false suggestions, suppression of truth, or other unfair means which are believed and relied upon.

A fraudulent act may be an illegal, unethical, improper, or dishonest act including, but not limited to:

- Embezzlement
- Misappropriation, misapplication, destruction, removal, or concealment of property
- Alteration or falsification of documents
- False claims by members, employees, vendors, or others associated with MASS
- Theft of any asset including, but not limited to, money, tangible property, trade secrets or intellectual property
- Inappropriate use of computer systems, including hacking and software piracy
- Bribery, rebate or kickback
- Conflict of interest, or
- Misrepresentation of facts.

All employees are required to report any acts of suspected or actual fraud, unlawful or unethical behaviour. Where an employee is aware of or suspects unlawful or unethical behaviour on the part of another employee, it is their duty and responsibility to report such

behaviour via the appropriate channels. This may be through their immediate line manager, the CEO or under the Protected Disclosure Act 2012 (Vic) to the Independent Broad-based Anti-corruption Commission (IBAC). In the event that the unlawful or unethical behaviour relates to the CEO, the employee may need to approach the Chair of the Board of Management directly.

While a fraudulent act may have criminal and/or civil law consequences, MASS is not required to use a determination by a criminal justice authority to criminally prosecute as the basis for determining whether an act is fraudulent. It is the internal determination that the above criteria are present that defines an act as fraudulent under this policy.

