

## <sup>1</sup>MANZ Finance Policy

The purpose of this policy is to ensure that the association follows clear and proper robust financial and accounting practices and procedures which will ensure;

- Financial information is reliable and complete, so that Council can depend on accurate information to make decisions.
- Assets and records of the organisation are not stolen, misused, or accidentally destroyed.
- The Association's policies are followed.
- Statutory requirements are met.

Financial procedures and accounting processes are the responsibility of the MANZ Council. As per the Association's rules the Council has delegated to the Executive Officer the duties and functions of Secretary and Treasurer of the Association. The Executive Officer may in turn delegate some or all of these functions within the authority given to her/him by the Council.

### Planning

A draft annual budget is developed by the Executive Officer and presented to the Council for approval. This will be completed before the end of the financial year of the preceding year. The budgeting shall reflect the Council's strategic objectives and not risk financial jeopardy or fail to show a generally acceptable level of foresight. Thus the budget shall:

- Support MANZ Strategic and Annual plans.
- Forecast the revenue and expenditure (both operational and capital) required to achieve the planned activities.
- Ensure adequate working capital.
- Demonstrate an appropriate degree of conservatism in all estimates.
- Include any recommended annual subscription changes.

The annual budget will be monitored on a regular basis to ensure that proposed income and expenditure is still appropriate.

### Reporting

The Executive Officer is required to present a quarterly report to the Council with analysis of actual versus budget variance and with unexpected variations being reported on.

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<sup>1</sup> Ratified August, 2017

The Executive Officer will ensure that Financial Statements are prepared on an annual basis, in accordance with *New Zealand Generally Accepted Accounting Practice*, and in a timely manner for presentation to the Council. The Council will appoint a member of The New Zealand Institute of Chartered Accountants to complete an annual review.

### Internal Control

It is the responsibility of the Council to ensure all necessary financial controls are in place, while it is the responsibility of the Executive Officer for the management and control of finances.

It is the responsibility of the MANZ Treasurer to ensure that all funds paid are appropriately categorised against the budget and that proper payment processes are carried out. At least quarterly the treasurer will do this through their access to the accounting software online, internet banking and work with the Executive and Accounts and Administration Officer.

### Spending Funds

The Executive Officer has the authority to spend funds directly and by delegation as allocated by the budget. The Executive Officer shall, wherever possible, purchase on account and at the best possible rate. Alternative pricing should be sought and documented where possible.

Any extraordinary expenditure or anticipated over expenditure in the major budgetary expense categories must have prior Council approval. Clear explanations will be required for any over expenditure.

### Income

All amounts due to the association are to be promptly and regularly invoiced.

All cash and cheques received are to be promptly deposited, properly recorded and reconciled.

If an individual or member school fails to make payment of MANZ invoices the following process will be followed:

1. Monthly statements to follow up outstanding amounts are to be prepared and issued the first week of the month following invoice not being paid.
2. A verbal phone reminder that payment is overdue will be made the second week of the first overdue month by the Accounts and Administration Officer.
3. If no payment is made by the 20th of the month following due date a second phone call will be made and a second reminder statement sent.
4. This will be followed by reminder phone calls from Accounts and Administration Officer and emails/statements for three months.

5. After three months overdue, the debtor will be advised that the non payment will be put in the hands of a debt collector. MANZ Council will be advised of this action.

### **Expenses**

All accounts for payment will be presented in a timely manner for approval with a completed payment authorisation form and supported by an invoice or receipt. All payroll disbursements are to be properly recorded and all related legal requirements are to be complied.

All accounts are to be approved by the Executive Officer, Treasurer and/or other designated approver ratified by the Council.

Accounts invoiced in the current month will be paid the 20<sup>th</sup> of the following month. Signatories, as authorised by the Council, will appear on payments, with two authorised signatures captured electronically through internet banking.

Invoices are checked by the Accounts and Administration Officer for receipt of goods and services prior to being including for payment in accounting package. These invoices are then checked again by the Executive Officer or Treasurer when payment is authorised.

### **Special Projects**

MANZ Council will ask for approval from the membership for any expenses over \$25,000 related to any special projects.

### **Cash Reserves**

The general cash reserves need to be maintained to ensure that there is a year's reserve for MANZ employees.

### **Bank Accounts**

Bank accounts are to be reconciled within the accounting package where bank link has been incorporated, with any unidentified amounts cleared in a timely manner.

### **Assets**

Assets will be capitalised if their value exceeds \$500 and have an economic life in excess of 12 months.

All assets are to be adequately safeguarded, and properly recorded within the accounting software.

### **Investment of Funds**

If at any such time surplus funds arise the Executive Officer will ensure that:

- Surplus funds will be safely and promptly invested.
- Best interest return opportunities will be sought on these investments.
- Any investment will be made with the security of the funds as the top priority.

## Records

The Executive Officer, in conjunction with the Accounts and Administration Officer are responsible for the safe custody of all records and regular backup of financial data.

All records are to be kept for seven years. The Executive Officer will advise the Council as to records being destroyed.

All financial data will be regularly maintained by the Executive Officer in a suitable electronic package.