

Finance Policy

1. Purpose

Inala Community House (ICH) is committed to responsible financial management. ICH will ensure that the financial management systems and practices are compliant with all required standards. ICH will seek to address all financial matters with care, integrity and in the best interests of the organisation.

ICH shall also seek to ensure the financial sustainability of the organisation in order to continue to deliver services, programs and activities in accordance with the mission, vision and values.

This policy operates in conjunction with the ICH Fraud Risk Management Policy.

2. Scope

This policy shall apply to the Board of Directors and all employees of Inala Community House.

3. Policy

ICH will have financial and asset management systems which operate in compliance with all Australian Accounting Standards and the International Financial Reporting Standards. ICH will have procedures which address elements of the financial and asset management systems. Procedures will ensure that financial practices are intended:

- To protect the organisation's assets
- To ensure that accurate records of the organisation's financial activities are kept and made available as required
- To clarify the standards and expectations required of all personnel
- To ensure compliance with applicable laws, standards and reporting requirements

3.1 Accountability

ICH will seek to ensure that financial and asset systems are accountable and transparent. This is essential in order to promote the trust of ICH members, funding bodies, clients engaged with the organisation and of the broader community. ICH has strategies to ensure this, such as:

- Annual audits by a suitably qualified person
- The publishing of Annual Reports on the website which includes information about ICH's finances
- Financial reporting to entities such as the Australian Taxation Office and the Australian Charities and Not-for-profits Commission
- Compliance with service agreement funding requirements

- Providing service delivery information in order to demonstrate the responsible use of funding

3.2 Sustainability

ICH has risk management strategies which aim to ensure the financial sustainability of the organisation. Financial sustainability planning is achieved with reference to:

- The mission, vision and values of ICH
- The strategic plan
- The financial position of the organisation (including any liabilities)
- The availability and requirements of funding
- Any risk management strategies

These strategies will seek to ensure that the organisation remains financially viable, and systems are in place to ensure that the organisation will cease operating if ever insolvent.

3.3 Annual Budgeting

ICH has annual budgeting processes which seek to responsibly allocate the organisation's monetary resources for the financial year. The budget is created in accordance with service and operational needs which are determined with reference to ICH's strategic plan. The budget process seeks to ensure compliance with all funding agreement requirements and to maximise the impact of the funding available in order to deliver high-quality services, programs and activities. The budget also enables ICH to meet its financial reporting obligations.

3.4 Reporting

ICH is required to report on its finances regularly, this is required by service agreements, the Australian Charities and Not-for-Profit Commission, the Australian Tax Office and any other required bodies.

Reporting is completed in accordance with the International Financial Reporting Standards which aim to ensure transparency, accountability and efficiency in reporting systems. Financial reporting is a key tool which provides stakeholders with information about how the organisation is being managed, its financial position, performance and cash flow. Financial reporting is critical to provide the Board and Management teams with information which enables them to achieve effective decision-making. Financial reporting is an accountability tool for all stakeholders.

ICH reporting also includes disclosures regarding financial adjustments recognised in the current reporting period that relate to previous reporting periods. This is achieved by reporting on the current financial period and the previous financial period.

3.5 Tax Concessions

ICH is eligible for tax concessions due to the classification of the organisation. ICH is classified as a Public Benevolent Institution with Deductible Gift Recipient status. ICH is eligible for these tax concessions by meeting the following characteristics of a Public Benevolent Institution:

- it is set up for needs that require benevolent relief
- it relieves those needs by directly providing services to people suffering them
- it is carried on for the public benefit
- it is non-profit
- it is an institution
- its dominant purpose is providing benevolent relief.

3.6 Record Keeping

All financial record keeping will be in accordance with required legislation or regulation. This is generally for 7 years.

4. Review

This policy shall be reviewed every 2 years.

This policy remains in effect unless otherwise determined by resolution of the Board of Directors.

5. Related Documents

Policies

ICH Fraud Risk Management Policy

Procedures

ICH Cash and Cheque Procedure

ICH Asset Procedure

ICH Debit Card Procedure

ICH Payroll Procedure

Other Documents

Service Agreements