

POLICY	Financial Management
NVR Ref:	Standard 7
MCC Ref:	MCC-3-F 1
Objectives	<p>The purpose of this Policy/Procedure is to define the responsibility and authority in relation to policies, principles and procedures applying to the financial administration of the Institute.</p> <p>Financial management includes:</p> <ul style="list-style-type: none"> • annual financial planning and review • generating revenue and managing expenditure • managing assets and liabilities • monitoring and forecasting financial performance • managing risk • authorising staff to make purchases • implementing approved finance policies, guidelines and procedures
Standards	<p>The Institute utilises accounting principles described in the Australian Accounting Standards Board Statement 1001 (AAASB1001). Financial management standards are also appropriately aligned with the instructions of the Institute's CPA, Federal and State/Territory legislations/regulations and the requirements under the NVR Standards for Registered Training Organisations (RTOs) 2015.</p>
Responsibilities	<p>The CEO has direct responsibility and the delegated authority for the Institute's financial functions, policies, procedures, activities and tasks. This responsibility includes controls, accountability, reporting, projections and financial undertakings associated with regulatory requirements.</p>

PROCEDURE	Financial Management
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Action/Method	<p>Financial Operations</p> <p>The Institute conducts financial management operations using electronic data entry and retrieval.</p> <p>The Institute, in co-operation with its certified accountants:</p> <ul style="list-style-type: none"> • completes and submits the quarterly BAS; • produces and submits any provisional income tax as per auditor reports; • reviews the management accounts quarterly or whenever necessary; • reviews the management accounts at the end of each financial year and prepares the ATO tax return <p>Financial Reporting</p> <p>Financial reporting is one of the Institute’s performance indicators. Financial statements are prepared on an accrual basis in accordance with relevant accounting standards and requirements including:</p> <ul style="list-style-type: none"> • Balance Sheets • Income and Expenditure Statements • Statements of Cash Flows <p>Records</p> <p>The Institute operates and executes financial business and record keeping practices through commercial software (XERO/whatever). The CEO has overall responsibility for the processes and procedures and delegates various activities and tasks to staff within the Administration section of the Institute.</p> <p>Management of Financial Records</p> <p>The monitoring, management and maintenance of financial records includes:</p> <ul style="list-style-type: none"> • data entry, monitoring and maintenance of financial records each day • payment requisitions reviewed and actioned each week • receipt banking and entry of monies each day • reconciliation against banking details monitored each week

	<p>Budget Control</p> <p>Budgeting and cash flow forecasting is done each quarter at the time of the BAS preparation. The CEO determines salary and non-salaried budget allocations.</p> <p>Income</p> <p>The Institute’s recurrent budget is funded from full-time and distance learning students</p> <p>Bank Reconciliations</p> <p>The regular checking of the balance of a bank account in the ledger with the balance shown on the bank statement for the same period is an important accounting requirement. Although the two separate records cover cash transactions for the same period, generally it is not common for the two balances to agree. The effect of bank reconciliation is to identify the differences between the bank statement balance and the financial ledger. All receipts, Accounts Payable entries and other journal entries must be processed before reconciliation is attempted.</p> <p>Fees</p> <p>The Institute sets due dates for payment of program and client fees. All payments must be formally receipted and banked. Clients are issued with an invoice and they are required to pay the outstanding money by the due date indicated.</p> <p>Conditions of Payments</p> <p>During any period in which a student has enrolled but does not commence, or ceases, training activities or assessment preparation, full tuition fees will still apply. If fees are not paid by the due date, then Management may suspend or cancel enrolment at its sole discretion.</p> <p>Methods of Client Payments</p> <p>The Institute offers several methods of payment. These include:</p> <ul style="list-style-type: none"> • full payment in advance, for which a discount may be available • Payment Option Plan installments during the course. <p>In Person</p> <p>Clients may pay in person by cash, cheque, credit card (Bankcard/Visa/MasterCard) to the Institute’s Administration Office during business hours.</p> <p>By Mail</p>
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	<p>Clients are required to make their cheque and/or money order payable to the “Macquarie Commercial College” and mailed to the Administration Office.</p> <p>By Direct Deposit</p> <p>Clients may choose to make a direct deposit into the Institute’s Bank Account Number. Following the deposits, clients must also supply a copy of the deposit slip/ acknowledgement.</p> <p>A copy of the client’s deposit details must be emailed/faxed/delivered. If the Institute is unable to identify the client’s account it will remain unpaid.</p> <p>Distance clients are required to meet the full cost of their course. An invoice detailing individual course fees etc. will be issued to each client requesting payment.</p> <p>Receipt of Overseas Client Fees</p> <p>All fees paid in advance must be received by either a telegraphic transfer or direct deposit into the Institute’s nominated bank. Where fees are paid in advance by a potential client, they are required to fax/mail confirmation of the advance fees paid.</p> <p>Upon proof of payment the Institute will:</p> <ul style="list-style-type: none"> • Issue receipts upon receiving the fees/payment • Check the tax invoice attached to fees/payment if paid by representative/ agents • Enter data to client records <p>The receipt will state:</p> <ul style="list-style-type: none"> • The registered company name and registered National Provider Code (22047) number • The date of issue • The full name of the client • Acknowledgement of the payment method <p>Issue of Client Receipts</p> <p>The Institute uses a pre-numbered receipt book, which is stored in a secure area in the Administration Office.</p> <p>Copies of receipts are retained on our information system.</p> <p>Cancelled Receipts</p> <p>An official numbered receipt, which is cancelled, will be clearly marked ‘cancelled’ and briefly noted with reason for cancellation and signed by</p>
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	<p>authorised personnel approving the cancellation.</p> <p>Completed Receipt Books</p> <p>Completed receipts books will be stored in Accounts Receivable for a 12 month period prior to archiving.</p>
Related Legislation	
Related Documentation	

VERSION CONTROL

Review/ amendment history

Policy Approved by: Chief Executive Officer

Responsible Officer: Chief Executive Officer

Next Policy Review Date: July 2018

Version	Date	Details
1.0	July 2014	Policy issued
2.0	Dec 2014	Updated to reflect Standards for Registered Training Organisations (RTOs) 2015
3.0	July 2015	No material change
4.0	July 2016	No material change
5.0	June 2017	No material change