**BUDGET PLANNING PROCEDURE**

**Responsibilities**

The Committee of the Southern Barossa Alliance (SBA) has ultimate responsibility for overseeing the budget of the organisation and for ensuring that the organisation operates within a responsible, sustainable financial framework.

It is the responsibility of the Treasurer to prepare all budgets and review budgets in consultation with the Finance Committee.

The Finance Committee consists of:

* The Chairperson;
* The Deputy Chair;
* The Treasurer; and
* The Secretary.

**Processes / General Requirements**

**Preparation of the Budget**

In March/April each year, the Deputy Chair & the Treasurer start preparing the budget estimates as part of the Business Plan for the next financial year. The process includes:

* considering all operational costs; and
* estimating income.

The initial budget estimates are based on the current expenditure projections to end of year, plus adjustments for known operating costs. The Finance Committee shall be provided with information about how cost increases will be absorbed or will lead to increases in service charges (e.g. membership fees).

The Deputy Chair & Treasurer will present the draft budget for discussion at a Finance Committee meeting. The Finance Committee may accept the estimates as presented or may request variations, within the context of the Business Plan. A detailed report denoting reasons for decisions should be attached to the draft budget for discussion.

The Deputy Chair & Treasurer will then revise the draft and present the amended draft budget at a subsequent SBA Committee meeting, but not later than June. Once adopted by the SBA Committee, this becomes the official operating budget for the SBA for the following financial year, and all SBA Committee members must work within the financial limits stated or implied by this document.

**Monitoring and Reviewing the Budget**

The Deputy Chair & Treasurer are responsible for monitoring the organisation’s expenditure, reviewing the actual and budgeted expenditures, and reporting on the progress of such expenditure.

Financial reports will be prepared for each SBA Committee meeting showing the year-to-date expenditure and its variation from the budget estimates, and indicating any increases or decreases in funding. A detailed commentary should be attached to SBA Committee reports detailing reasons for variations and recommendations for corrective action should that be required.

The Deputy Chair will indicate what effect any variations will have on the budget projections and provide this information to the Treasurer and the SBA Committee. The Deputy Chair & Treasurer will also report on any other financial matters that may be related to the Business Plan.

Once adopted by the SBA Committee, the Amended Budget will become the new operating budget for the remainder of that financial year.

**AUTHORITY TO SIGN PROCEDURES**

**Responsibilities**

It is the responsibility of the SBA Committee to ensure that:

* All SBA Committee members are aware of this policy; and
* Any breaches of this policy coming to the attention of the SBA Committee are dealt with appropriately.

It is the responsibility of the SBA Committee members and, on occasions, volunteers to ensure that their access to financial transactions conforms to this policy.

**Processes**

All payments must contain two eligible signatures. Eligible signatories are SBA Committee members who have been previously nominated and endorsed by the SBA Committee. Where payments for any sub groups are involved one of the signatories will be the approved nominee for that group.

Any two of the above have the authority to authorise payments.

**REIMBURSMENT PROCEDURE**

**Responsibilities**

It is the responsibility of the SBA Committee to ensure that:

* SBA Committee members and volunteers are aware of this policy; and
* Any breaches of this policy coming to the attention of the SBA Committee are dealt with appropriately.

It is the responsibility of all SBA members and volunteers to ensure that their applications for reimbursement conform to this policy.

**Prohibited reimbursements**

Southern Barossa Alliance will not reimburse members or volunteers for:

* Unauthorised expenses;
* Expenses claimed as a tax deduction;
* Expenses normally recoverable from a third party;
* Expenses that are not incurred for organisational purposes; and
* Parking, traffic, or other fines and penalties.

**PETTY CASH**

**Responsibilities**

It shall be the responsibility of the SBA Committee to consider any request for a petty cash float. If approved, it is the responsibility of the SBA Committee to determine who will be responsible for the float. It shall be the responsibility of nominated person to manage the amount of the float and to ensure that the procedures specified in this policy are implemented appropriately.

**Petty Cash Limit**

The amount of the petty cash float shall be as determined by the SBA Committee from time to time, but in general should not exceed $250. Any amount in the petty cash float over $250 shall be returned to the Treasurer to either be banked back into general funds or processed for payment in the usual manner.

**Petty Cash Use**

The responsible person shall ensure that petty cash is used to cover only those expense reimbursements for which it is not feasible, or for which it is unreasonably inconvenient, to use normal purchasing/payment methods. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures.

The limit of $250 shall not be evaded through splitting of items into smaller amounts.

The responsible person shall require all expenses incurred using petty cash funds to be substantiated by acceptable supporting documentation such as receipts and tax invoices etc., and the documentation relating to each item shall be sufficient to establish the nature of the expenditure.

The responsible person shall retain acceptable supporting documentation of payments from the Petty Cash float and shall submit these with their accounts to the Treasurer as soon as possible.

The responsible person shall report the loss of any Petty Cash funds to the Treasurer as soon as the loss is discovered.

A tax invoice must be obtained for all purchases exceeding $55:00 (GST inclusive).

Petty cash should be kept in a secure location and held securely.

The responsible person cannot delegate control of the float to other persons. If the responsible person is unavailable, payment cannot be made by that means.

**Petty Cash Replenishment**

The responsible person can draw on replenishments as required and approved by the Treasurer up to this amount.

If there is a need for additional finance, or if it is desired to increase the amount of the float, a special request must be made to the SBA Committee.

Replenishments should be sought while there are still sufficient funds in the float to allow time for the reimbursement process.

**FRAUD RISK MANAGEMENT PROCEDURE**

**Responsibilities**

The SBA Committee has ultimate responsibility for the prevention and detection of fraud and is responsible for ensuring that appropriate and effective controls are in place.

The Chairis responsible for dealing with and investigating instances of fraud reported to the SBA Committee.

The SBA Committee members should be alert to the various types of improprieties that might occur and be alert to any indications of such conduct.

All **volunteers/contractors** share in the responsibility for the prevention and detection of fraud.

## Reporting

All volunteers/contractors have the responsibility to report suspected fraud.

Any member, volunteer or contractor who suspects fraudulent activity must immediately notify an SBA Committee member about the concern.

In situations where the member, volunteer or contractor notifies an SBA Committee member that member must then notify the Chair of the SBA Committee (or the Secretary of the SBA Committee in circumstances where the suspected fraud involves the Chair or other office holders of the SBA Committee).

**Step-by-step guide: Responding to suspected fraud**

1. Upon notification of an allegation pertaining to fraud, the Chair of the SBA Committee will promptly arrange to carry out an initial review into the allegation.
2. After an initial review and a determination that the suspected fraud warrants additional investigation, the Chair of the SBA Committee shall coordinate the investigation with the appropriate law enforcement officials or external investigator as deemed appropriate. Internal or external legal representatives may be involved in the process, as deemed appropriate.
3. Once a suspected fraud is reported, immediate action will be taken to prevent the theft, alteration or destruction of relevant records. Such actions include, but are not necessarily limited to, removing relevant records/information and placing them in a secure location, limiting access to the location where the records/information currently exists, and preventing the individual suspected of committing the fraud from having access to the records/information.
4. If an allegation of fraud is substantiated by the investigation, disciplinary action (or termination of an individual’s right to work as a contractor or volunteer), shall be taken by the SBA Committee.
5. The organisation will also pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender.

Where a prima facie case of fraud has been established, the matter shall be referred to the relevant authorities. If an allegation is made in good faith, but it is not substantiated by the investigation, no action will be taken against the complainant.

The organization will make every effort to keep the investigation confidential; however members of the SBA Committee may need to be consulted to assist with a review/investigation.