

Artists Society of Canberra Inc

FINANCIAL CONTROL, REIMBURSEMENT AND REPORTING POLICY

Policy number	009	Version	1
Drafted by	Stephen Clively	Approved by MC on	26th April 2020
Responsible person	The Treasurer	Scheduled review date	March 2022

TERMS OF REFERENCE

The purpose of this policy is to describe the financial controls ASOC uses in relation to: access to ASOC's bank accounts; cash, EFTPOS and card transactions at exhibitions and other events; sales made on the ASOC website; reimbursement of expenditure claims; collecting and banking workgroup payments; petty cash; processes for dealing with urgent and unforeseen expenditure; and presentation and audit of the ASOC accounts

POLICY

The ASOC Management Committee has agreed the following policies and procedures to ensure that ASOC finances are appropriately managed and reported in the best interests of ASOC's members.

The Management Committee agrees budgets for ASOC activities (e.g. the Summer Art Experience (SAE), the Spring Exhibition, and the Catchment Group Exhibition). From 2020, the Management Committee will agree a budget and forward estimate of ASOC's overall budget for the 2020-21 financial year.

1. FINANCIAL SUB COMMITTEE

1.1. A Financial Sub-Committee (FSC) has been established to:

- 1.1.1. consider detailed financial reporting,
- 1.1.2. prepare an ASOC annual budget,
- 1.1.3. approve budgets for significant ASOC events (such as the Summer Art Experience and exhibitions, and Workshops), and
- 1.1.4. to make unavoidable and time-sensitive financial decisions that cannot wait for a full MC meeting;

1.2. The membership of the Financial Sub-Committee comprises the office bearers of the Society (the President, Vice President, the Secretary and the Treasurer).

1.3. Decisions of the Financial Sub-Committee will be reported to the Management Committee.

1.4. Meetings of the Financial Sub-Committee may be held face to face or on-line and ordinary members of the MC invited to attend if they wish.

2. SOURCE OF FUNDS

- 2.1. The ASOC Constitution (section 34) specifies that ASOC's funds must be derived from entrance fees and annual subscriptions of members, donations, fees for any lecture, demonstration, or workshop, or other sources appropriate to the object of the Society such as Government grants and, subject to any resolution passed by ASOC in general meeting and subject to the relevant legislation¹, any other sources that the Management Committee decides (such as commission on sales at exhibitions), with:
 - 2.1.1. all money received by ASOC must be deposited as soon as practicable and without deduction to the credit of ASOCs bank account and
 - 2.1.2. that as soon as practicable after receiving any money, issue an appropriate receipt.

3. ACCESS TO ASOC BANK ACCOUNTS

- 3.1. To guide ASOC's overall approach to appropriate financial expenditure in line with meeting ASOC's objectives, the Management Committee has agreed that disbursement of funds is generally based on a **two-to-sign authorisation policy** and **avoidance of conflicts of interest**. The Management Committee will approve the ASOC officers designated to have access to ASOC accounts ("responsible persons") and authority to sign cheques as well as daily cash limits for these accounts.
- 3.2. To avoid **conflicts of interest** ASOC will normally follow the practice of two of the above responsible persons approving transactions involving a third responsible person (such as making payments for the sale of art or reimbursing approved expenditure by that member).
- 3.3. In **exceptional cases** (e.g. due to absences or other unforeseen reasons), a responsible person can be the approver of a transaction involving payments to themselves providing agreement has been granted by the ASOC President and that such occurrences are reported to the Management Committee.

4. DELEGATED AUTHORITY FOR EXPENDITURE

- 4.1. The Management Committee may delegate certain decisions to the Financial Sub-Committee or the designated officers, such as:
 - 4.1.1. agreement to make transactions that are time sensitive, such as renewing or changing the ASOC term deposit;
 - 4.1.2. transactions that are urgent and unavoidable where a decision cannot wait for a meeting of the Management Committee;
 - 4.1.3. minor transactions agreed by the President in consultation with the Treasurer. Such "Captain's call" transactions would be for expenditures less than \$800.

¹ *Associations Incorporation Act 1991* Act section 114; and *Associations Incorporation Regulation 1991* SL1991-31 made under the *Associations Incorporation Act 1991*, Republication No 12 Effective: 1 July 2019.

4.2. Transactions made under this section will be reported to the Management Committee.

5. CASH HANDLING, EFTPOS AND CARD TRANSACTIONS AT ASOC EVENTS

- 5.1. ASOC often relies on volunteers to operate a sales desk during exhibitions. To ensure that: cash and card transactions are secure; exhibiting artist's sold and unsold work is accounted for appropriately while in ASOC's custody; and that cash in excess of the float is banked as soon as possible, the Management Committee has agreed to the procedures outlined in the *ASOC Exhibition Art Sales Handbook* (see **Attachment A**).
- 5.2. These procedures are aimed at ensuring secure cash and card transactions, appropriate accounting for exhibiter's sold and unsold art work, and the timely banking of cash in excess of the float as soon as possible (through the exhibition coordinator or to an ASOC committee member). These procedures are presented in the *ASOC Exhibition Art Sales Handbook* and involve:
- 5.2.1. A daily cash float.
 - 5.2.2. Correct use of the EFTPOS machine.
 - 5.2.3. The issuing of receipts for the sale of works with information necessary to identify sold works on pick-up day.
 - 5.2.4. Appropriate use of a daily sales sheet; entry spreadsheet (the sign in / sign out sheet) and the sales desk copy of the art catalogue.
 - 5.2.5. Procedures for banking of cash and securing the cash tin and EFTPOS machine.
 - 5.2.6. The daily cash float should be handled in line with the ASOC petty cash policy.

6. SALES ON THE ASOC WEBSITE

- 6.1. ASOC currently takes payments for memberships, registrations for exhibitions and the SAE at its website. For the convenience and security of ASOC's customers (e.g. workshop registrants and exhibitors) ASOC provides options for making payments through the ASOC website or by direct use of electronic funds transfer, through Visa or Mastercard.
- 6.2. In June 2019 the Management Committee agreed to trial WooCommerce and eWAY for card transactions for memberships, workshops, exhibition entries and the SAE 2020, with the performance of the system to be reviewed in the first half of 2020; and agreed the privacy, delivery and refund policy needed to meet eWAY's requirements for hosting ASOC.
- 6.3. The WooCommerce system and eWAY gateway automatically issue receipts for ASOC on-line transactions and handle transactions securely. For other transactions the ASOC Treasurer will process credit card and electronic funds transfers expeditiously and issue receipts appropriate for the transaction.
- 6.4. Records of ASOC customer's banking and other personal details must be handled in line with Privacy laws and ASOC's privacy, delivery and refund policy. Customer's banking and other

personal details are to be disposed of appropriately (preferably through shredding and removing from any databases).

7. REIMBURSEMENT OF EXPENSE CLAIMS

- 7.1. ASOC members have the right to be reimbursed for expenses they incur in the fulfilment of their duties for ASOC beyond attendance at regularly scheduled Management Committee (MC), sub-committee and members meetings.
- 7.2. Reimbursement should normally occur in a framework of approved expenditure by the member involved, either through previous approval from the MC, Financial Sub-Committee or authorised within the context of an event budget.
- 7.3. The Financial Sub Committee will approve a budget for ASOC events (such as exhibitions or the Summer Art Experience). Accordingly, reimbursement for expenditure at such events should align with the agreed budget. For significant variations in planned expenditure, agreement must be sought from the Management Committee or, in urgent and unforeseen circumstances, with the agreement of the ASOC President and ASOC Treasurer. As a guide, a significant variation would include a variation of 20 per cent or more of an agreed item in the approved budget.
- 7.4. ASOC will reimburse ASOC members or volunteers expenses incurred by them on behalf of ASOC or in the course of ASOC's activities so long as such expenses are:
 - 7.4.1. reasonable and
 - 7.4.2. authorised.
- 7.5. Wherever possible, a member seeking reimbursement for payments for **goods and services** purchased for ASOC should present receipts, invoices, vouchers, tickets or other evidence of such expenditure and use the ASOC expenses claim form is at **attachment B**. Where this is not possible a declaration, explanation or diary entry of their expenses would be required.
- 7.6. Similarly, members seeking reimbursement for **travel costs** should either present receipts for their direct travel expenses or provide a travel log of the distances and dates travelled and the purpose of the travel (**a travel log form is at Attachment C**).
 - 7.6.1. travel expenses for travel beyond attendance at ASOC Work Groups, scheduled meetings of the Financial Sub Committee or the Management Committee. Eligible travel could include travel associated with ASOC events (such as the Summer Art Experience, the Spring Exhibition or in connection with running an ASOC workshop;
 - 7.6.2. a rate of 20 cents per kilometre to cover petrol and other direct running cost expenses will be paid;
 - 7.6.3. this rate will be varied by the MC or FSC when it is considered necessary;

7.6.4. reimbursement will not be paid for fixed costs (such as registration and insurance) and depreciation, and servicing costs which would be incurred whether or not the vehicle was used for ASOC business.

- 7.7. For **other expenses** where it is difficult to estimate the cost (such as excessive telephone and computer use), the member should seek the agreement of the Treasurer regarding substantiation of the claim (for example, where a member is able to compare previous charges over a set period a written statement to this effect would be taken as evidence for an estimate of the ASOC related expenses incurred.)
- 7.8. Wherever possible a member should arrange for ASOC to be invoiced directly in order to avoid the member having to pay for goods and services.
- 7.9. Reimbursement is not a payment for the actual work carried out by the ASOC member. It is not a form of honorarium, nor a gift. For reimbursing travel costs the payment is for fuel other direct costs associated with the travel. It is not a payment for fixed costs (such as registration and insurance) and depreciation which would be incurred whether or not the vehicle was used for ASOC business.
- 7.10. Wherever possible a member seeking reimbursement should present receipts for their expenses. Where this is not possible a declaration, explanation or diary entry of their expenses would be required.
- 7.11. It is the responsibility of ASOC management to ensure that:
 - 7.11.1. ASOC members and volunteers are aware of this policy;
 - 7.11.2. Any breaches of this policy coming to the attention of the of the Financial Sub Committee or the Management Committee are dealt with appropriately.
- 7.12. It is the responsibility of all ASOC members and volunteers to ensure that their applications for reimbursement conform to this policy.
- 7.13. ASOC will not reimburse claims for unauthorised expenses and expenses that are not incurred for ASOC purposes. However, in exceptional circumstances reimbursement of reasonable expenses that were not originally authorized as outlined in the sections above may be made on an *ex gratia* basis at the discretion of the ASOC President, the Financial Sub Committee or the Management Committee.
- 7.14. Claims that have not been properly prepared, authorised, or supported by adequate documentation will be returned to the claimant and the reasons will be given for not processing the claim.
- 7.15. The ASOC reimbursement claim form, agreed in April 2019, is at **Attachment B**.

8. WORKGROUP PAYMENTS

- 8.1. The Management Committee agreed on 20 June 2019 that Workgroup fees are to align to a four term structure. The ASOC Workgroups policy outlines procedures for the collection and banking of term fees.

9. PETTY CASH

- 9.1. The petty cash policy seeks to ensure that the Studio Manager can deal with minor expenses in a way that is flexible yet consistent with the need to protect ASOC's funds.
- 9.2. In line with this policy, petty cash floats are established and managed by the Studio Manager and expenditure (including relevant receipts) reported to the Treasurer at least at the end of June each year and/or when the petty cash is renewed.
- 9.3. ASOC has nominated the Studio Manager as a petty cash officer who is responsible for managing the amount of the float and ensuring that the procedures specified in this policy are implemented appropriately.
- 9.4. **Petty Cash Limit:** The amount of the petty cash float shall be as determined by the Treasurer from time to time, but in general should not exceed \$200. Any amount in the petty cash float over \$200 shall be returned for banking in the ASOC operational account.
- 9.5. **Petty Cash Use:** the petty cash officer shall ensure that:
 - 9.5.1. 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 methods. Any expense that is predictable, regular and significant should be dealt with through normal accounting procedures;
 - 9.5.2. all expenses incurred using petty cash funds must be substantiated by acceptable supporting documentation such as receipts, tax invoices, invoices, etc., and the documentation relating to each item shall be sufficient to establish the nature of the expenditure;
 - 9.5.3. acceptable supporting documentation of payments from the petty cash float are retained and submitted to the ASOC Treasurer each month;
- 9.5.4. petty cash is kept in a secure (locked) location and the key held securely;
- 9.5.5. the loss of any petty cash funds is reported to the ASOC Treasurer as soon as the loss is discovered;
- 9.5.6. control of the float is delegated to another ASOC member only with the agreement of the ASOC President or ASOC Treasurer; and
- 9.5.7. replenishment of the float is requested from the ASOC Treasurer or as agreed by the Management Committee. Additional funds are provided to the petty cash float in line with ASOC's **two-to-sign authorisation** process.

10. PRESENTATION AND AUDIT OF ASOC ACCOUNTS

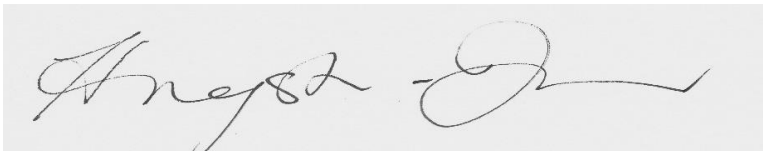
- 10.1. ASOC should be accountable to its members and provide them adequate opportunity to raise concerns about how it is governed, including through preparing an Annual Financial Report that provides the public with information and assurance about ASOC's operations and financial affairs. According to the Australian Charities and Not-for-profits Commission (ACNC) an annual report serves to meet the legislative requirements of the ACNC and is also an indicator of good governance.
- 10.2. As ASOC's annual revenue is under \$250,000, it is defined as a small charity and is only required to submit an Annual Information Statement to the ACNC and does not have an obligation for annual review or audit.
- 10.3. However, under ASOC's constitution (section 42) ASOC prepares an audited set of accounts and the ASOC Management Committed has decided to prepare statements on this basis. Small charities can elect to submit a financial statement to the ACNC, which would consist of:
 - 10.3.1. a statement of profit or loss and other comprehensive income
 - 10.3.2. a statement of financial position
 - 10.3.3. a statement of changes in equity
 - 10.3.4. a statement of cash flows
 - 10.3.5. notes to the financial statements
 - 10.3.6. signed and dated Responsible Persons' declaration about the statements and notes
 - 10.3.7. for medium sized charities, a signed and dated reviewer's report or auditor's report.
- 10.4. **Appointment of auditor:** In accordance with section 42 of the ASOC Constitution the Management Committee shall appoint one or more persons as auditors of ASOC and, subject to any decision of the ASOC in general meeting, may renew such appointments from time to time.
- 10.5. A report is usually presented by the Treasurer at Management Committee meetings. The objective of the Treasurer's report is to: apprise the Management Committee of the state of ASOC's bank balances; provide information on ASOC's profit and loss performance; and to report on the financial implications of recent events (such as exhibitions) and the outlook for the period ahead.
- 10.6. As an outcome of the ASOC Planning Day in March 2019, financial data for Management Committee meetings would include:
 - 10.6.1. Treasurer's monthly overview of the financial state of ASOC;
 - 10.6.2. events performance (financial and other metrics);
 - 10.6.3. Consideration of issues such as booking system update, fees, etc;

10.6.4. quarterly full set of financials showing performance against budget and including profit and loss, and cash flow projection/actual; and

10.6.5. annual presentation of the balance sheet as part of the draft annual financial statements.

10.7. At the Annual General Meeting (usually held in August of each year) an Annual Report including an audited financial statement is presented to members of ASOC.

AUTHORISATION

A handwritten signature in black ink on a light grey background. The signature is cursive and appears to read "Vickie Hingston-Jones".

Vickie Hingston-Jones

Artists Society of Canberra Inc

Approved by the ASOC Management Committee 26 April 2020

ASOC EXHIBITION ART SALES HANDBOOK

- a) HANDLING A SALE**
- b) START OF DAY AND END OF DAY PROCEDURES**
- c) USING THE EFTPOS MACHINE**
- d) CHANGING THE EFTPOS MACHINE PAPER ROLL**

a) HANDLING A SALE

1. Find out painting number/name and get someone to put **red dot** on it while you process sale.

2. **Take payment**, either card or cash.

- i. add the EFTPOS **merchant copy** to the stack of copies in the cash tin;
- ii. add the EFTPOS **customer copy** to the written receipt (see below);

For further instructions, see section c) USING THE EFTPOS MACHINE.

3. WRITE A **RECEIPT** AND RECORD THE SALE IN THE **DAILY SALES SHEET**, THE **SIGN IN SIGN OUT SHEET** AND THE **CATALOG** BY:

- i. write out a **receipt**, ensuring you:
 - include the name of the person making the purchase;
 - indicate how the payment was made (e.g. cash or credit card);
 - include the artist name and catalogue number on the receipt;
 - attach the EFTPOS customer copy to the written receipt (a stapler has been provided).

these steps are needed to help correctly identify the work when it is picked up

CASH RECEIPT

DATE 7, 9, 19

ZR0132481

RECEIVED FROM JOHN SMITH

THE SUM OF \$400 visa card

BEING FOR Leonardo 'Mona Lisa' cat no 14

\$ 400.00 SIGN [Signature]

include the purchaser's name

include the artist's name, art work title and catalog number

- ii. write up the sale on **daily sales sheet**. Make sure you include the catalog number and the purchaser's contact details

include the catalog number of the sold artwork

include the receipt number

please include purchaser's name and contact details

ASOC SPRING EXHIBITION 6 SEPTEMBER 2019 DAILY SALES SHEET

Cat No	ARTIST'S NAME	ARTWORK TITLE	Price	Payment Method	Receipt Number	Purchaser's:	
						Name and address	Phone number and email
43	S. Dali	Hat melting	500	Visa	0132481	JP Getty 14 Ben Franklin Cres Kambah	0488 999 730 JP5@JPG.com.au
99	P Picasso	"Is that a hat"	300	Cash	0132482	Anthony Barnes Foundation Circuit Walston	0488 888 705 barnes@barnesfundak.com
12	H Matisse	Woman in Hat	550	Visa	0132483	Franklin Steak Austin Drive	0488 999 999 Fsteak@gmail.com.au

- iii. cross off sold item on the **sign in / sign out sheet** – please include the receipt number and the name and contact details of the purchaser

include the receipt number of the sold artwork

include the purchaser's name and contact number

the artist or the purchaser will sign this section when picking up the work

ASOC Spring Exhibition 2019 Art Sign in sign out sheet

Cat No	Artist's name	Artwork Title	Artwork category	Price \$	Artist's contact number	Sign in (signature)	If sold, purchaser's name and receipt #			Sign out (signature and date)
							receipt #	purchaser's name	contact number	
9	Anne Aardvark	Grapes on the vine	Watercolour and gouache	600	62999999	<i>A Aardvark</i>				
10	Anne Aardvark	Ants on the brain	Acrylics	650	62999999	<i>A Aardvark</i>	0132481	J.P. Getty	0488999999	
11	Anne Otheraardvark	Country Pub	Mixed media and encaustic	400	0407 666 777	<i>A Otheraardvark</i>				
12	Anne Otheraardvark	Pub Country	Acrylics	180	0407 666 777	<i>A Otheraardvark</i>				

- iv. cross off sold item on the sales desk copy of the **art catalog**

OTHER ADVICE

Do not accept a **deposit** now and payment later unless the purchaser is very well known to you (eg an ASOC Member).

If the customer requires a **provenance letter** take their details and include this with the sales sheet.

We do not provide a courier service.

b) START OF DAY AND END OF DAY PROCEDURES

At the **start of the day** check the cash boxes for “card sales”, “unframed sales”, and “artwork and sculpture sales”. Record the floats on the **daily float sheet**:

At the **end of each day** please record the closing cash in the float on the **daily float sheet**

Cash in excess of the float will be collected for banking by Stephen Clively (ASOC Treasurer, 0488 994 130).

c) USING THE EFTPOS MACHINE

1. Start the EFTPOS machine – by pushing the **MENU** button.

2. To make the transaction:

- Push **ENTER** (or option 1 for TRANSACTION)

- Push **ENTER** (or option 1 for SALE)

- Enter **AMOUNT** in dollars and cents

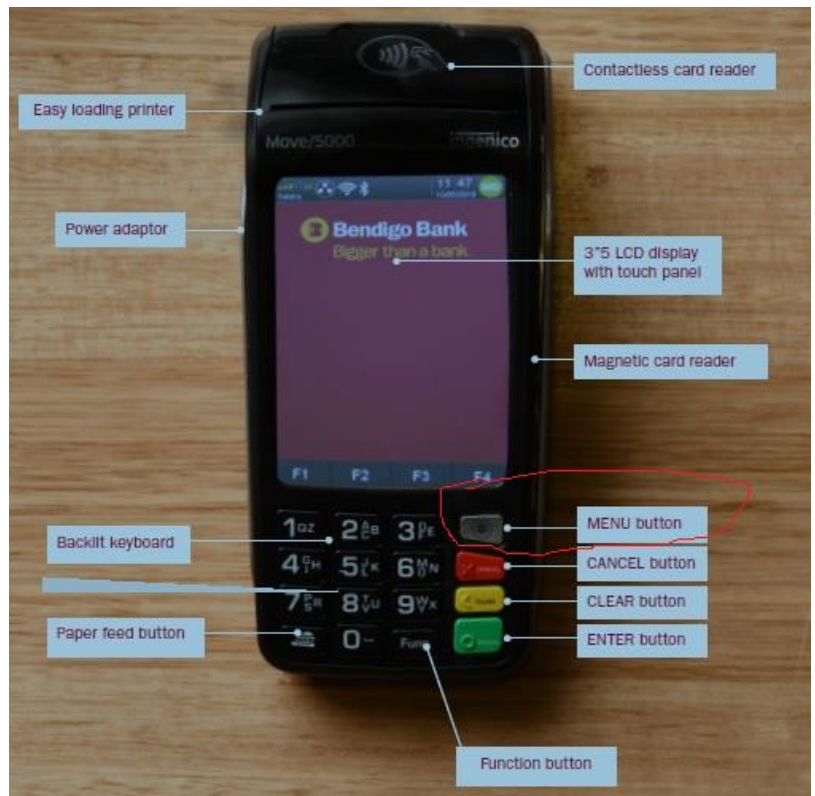
- Present card, select account card type (e.g. savings, credit)

- **Contactless cards** – the customer should present their card at the top of the EFTPOS machine – the four indicator bars at the top of the machine should light up GREEN and a BEEP should sound. A PIN may need to be entered.

- **Chip cards** or **magnetic strip cards** – ask the customer to insert or swipe their card, select account type and enter their PIN.

- The transaction is then processed and a copy of the **merchant's receipt** is printed, to print a **card holder copy**, select YES after the transaction has been approved.

NOTE: we **do not** provide **cash out**



d) CHANGING THE EFTPOS MACHINE PAPER ROLL

Insert or replace receipt roll

- Open the paper compartment by lifting the catch located at the rear of the terminal and pull the catch backwards to open.
- Insert the receipt roll in the compartment.
- Pull the paper to the top of the terminal.
- Hold the paper and close the lid.
- Press both corners of the paper flap simultaneously until it clicks into position.
- To test the paper is loaded correctly press the paper feed button on the bottom left corner of the keypad.

To test printing

- Press the MENU button.
- Press 4 Terminal.
- Press 2 Logon.
- If the paper does not feed or print correctly, remove the paper roll, turn the paper roll over to reload and try again.





**ASOC
EXPENSES CLAIM FORM**

Invoice No
Cheque/transaction No:
Date

Office use only

Name: _____

Address _____

Bank details for EFT payment:

Name of account _____

BSB _____ Account Number _____

Claim details

Please itemise expenses and attach receipts for all purchases

Expense	Purpose <small>(e.g. Spring Exhibition supplies, SAE catering)</small>	Date	Amount
TOTAL			\$

Signature: _____ Date: _____

Authoriser's Name (Please Print) _____

Authoriser's Signature _____

Processed by: _____ Date: _____

Please submit this form to the Treasurer by email: treasurer@asoc.net.au
 Alternately you may deposit into the locked box in the ASOC Studio for processing

TRAVEL LOG FORM



Use this form to record details of travel done on behalf of ASOC when you have used your private motor vehicle. You can use this information to claim reimbursement of fuel costs (Claim for Reimbursement form). See the ASOC REIMBURSEMENT OF ASOC MEMBERS' TRAVEL COSTS policy for more information.

Name:	
Position in ASOC (eg volunteer):	
Vehicle Registration:	

Date	Purpose of Journey	Odometer Start	Odometer Finish	Total km
Driver's Signature:			Claim Total:	

Note: ASOC will reimburse direct costs for travel undertaken on behalf of ASOC that has been authorised by the Management Committee, the ASOC Financial Sub-Committee or authorised within the context of an event budget.