

# GBWCT POLICY



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## FINANCIAL POLICY: DECISION-MAKING, EXPENDITURE AND ADMINISTRATION

This policy sets out the processes governing all financial decision-making, expenditure and financial administration at Golden Bay Workcentre Trust, and the respective roles of the Trustees, General Manager, Property Manager, Financial Manager, Financial Administrator, and other staff in relation to financial matters.

### 1.0 Purpose

The Golden Bay Workcentre Trust (GBWCT) is committed to delivering quality services and programmes, providing an excellent workplace for its staff, and securing the best possible outcomes for, clients, participants, learners, funders, stakeholders and the wider community.

Sound financial management is one of the most important factors in achieving these goals. Accordingly, GBWCT is committed to:

- Acting with integrity in all aspects of financial management;
- Providing an operating environment for Trustees and staff characterised by clarity, consistency, fairness and efficiency in relation to financial matters;
- Timely, robust and effective financial decision-making by the Board of Trustees and/or its delegated authorities;
- Compliance with all relevant law and accepted best practice for the financial management of a community organisation and Charitable Trust, including thorough and accurate record-keeping;
- Seeking specialist financial advice where in-house expertise is felt to be insufficient; and acting at all times to ensure the ongoing financial health and sustainability of GBWCT.

This policy is designed to support these objectives by providing clarity around the processes and procedures related to financial decision-making, expenditure, and administration at GBWCT.

## 2.0 Roles and Responsibilities

### 1. TRUSTEES

1.1 The law pertaining to Charitable Trusts dictates that overall responsibility for the financial management of GBWCT falls to the Board of Trustees. Although in practice much of the day-to-day financial decision-making will reasonably be delegated to GBWCT staff or to a nominated Trustee, the Trustees remain jointly accountable for financial policy and practices at GBWCT.

1.2 For this reason, the Trustees should act, individually and jointly, to ensure that they:

1.2.1 Are familiar and satisfied with the contents and implementation of this and related policies;

1.2.2 Have nominated one among their number to take particular interest in, and oversight of, financial management issues;

1.2.3 Set aside time during each Trust meeting to consider the Financial Manager's report and financial management issues, and approve the Trust's financial statements;

1.2.4 Pre-approve all capital expenditures where the amount is unbudgeted and exceeds \$500, or for smaller amounts where the transaction sets a precedent or has additional financial implications;

1.2.5 Have sufficient information and/or expertise to make a sound decision on any financial issue or request presented to them, including taking steps to obtain additional information or specialist advice where necessary;

1.2.6 Ratify the annual budget at the beginning of each financial year;

1.2.7 Are satisfied that the General Manager, Financial Manager and Financial Administrator are persons of integrity and well-qualified to act, where appropriate, as the Trust's delegates on financial matters (as set out in this policy and their respective job descriptions); and

1.2.8 Are satisfied that the Board's decisions, individually and as a whole, will support GBWCT's continued financial health and long-term sustainability.

1.3 The Board of Trustees will work with the Financial Manager and General Manager as set out below to agree, implement and monitor GBWCT's financial management policies and practices.

### 2. FINANCIAL MANAGER

2.1 The Financial Manager has delegated authority to undertake overall management of GBWCT's finances, including day-to-day decision-making (in consultation with the

General Manager and Trustees where appropriate). In particular, the Financial Manager's responsibilities are to:

- 2.1.1 Maintain both an overview and thorough working knowledge of the financial situation of GBWCT at any given time;
- 2.1.2 Ensure financial policies and procedures are understood and adhered to by the General Manager, Financial Administrator and GBWCT staff, and regularly reviewed;
- 2.1.3 Work with the General Manager and Property Manager to develop and monitor budgets for individual GBWCT programmes and services, community development projects, service contracts, maintenance of shared buildings and equipment and auxiliary support (e.g. non-recoverable management and administration costs);
- 2.1.4 Work with the relevant personnel and General Manager to set appropriate fees for individual GBWCT courses/training programmes, where applicable;
- 2.1.5 Assist the General Manager to scope and agree robust, workable service contracts with external agencies (e.g. MSD), in line with GBWCT's stated objectives and the capacity of the organisation to deliver;
- 2.1.6 Work closely with the General Manager and Financial Administrator to ensure that all of the necessary information required for sound financial management and accountability reporting is appropriately captured and stored;
- 2.1.7 Work closely with the General Manager to prepare financial accountability reports for external funders and stakeholders;
- 2.1.8 Manage and direct the Financial Administrator in their duties as required, including ensuring that no payments are made without due process (see sections 4, 6 and 10);
- 2.1.9 Undertake/instigate whatever financial planning, analysis and evaluation are required to give the Trustees a sound basis for decision-making, and to safeguard, as far as possible, GBWCT's future as a quality community organisation and employer;
- 2.1.10 Arrange for GBWCT's accounts to be audited annually by a registered Chartered Accountant;
- 2.1.11 Take overall responsibility for ensuring any financial issues that arise – whether historical, current or potential – with implications for GBWCT's financial health/sustainability, legal compliance, integrity (and perceived integrity) in the community, staffing structure or future training/service provision are raised, discussed and acted upon in a timely fashion and at the appropriate level; and
- 2.1.12 Keep the Trustees informed of all financial decisions and transactions, which should be detailed (with reference to accompanying financial statements) in a regular scheduled report presented to the Board.

### 3. MANAGEMENT

3.1 The **General Manager** has delegated authority to support the Financial Manager in financial decision-making and management, and to take day-to-day decisions related to expenditure (in line with the provisions set out in this policy). In particular, the General Manager's responsibilities are to:

- 3.1.1 Maintain an overview of the financial situation of GBWCT at any given time;
- 3.1.2 Support the Financial Manager to ensure financial policies and procedures are understood and adhered to by GBWCT staff;
- 3.1.3 Work with the Financial Manager to develop and monitor budgets for individual GBWCT programmes and services, service contracts, and auxiliary support (e.g. non-recoverable management and administration costs);
- 3.1.4 Work with the Financial Manager to set appropriate fees for individual GBWCT courses and programmes, where applicable;
- 3.1.5 Seek the advice of the Financial Manager to scope and agree robust, workable service contracts with external agencies, in line with GBWCT's stated objectives and the capacity of the organisation to deliver;
- 3.1.6 Approved expenditure in line with agreed budgets, consulting with the Financial Manager where there is any ambiguity or cause for concern, and consulting with the Trustees where an expense is unbudgeted and/or is over \$500 and/or sets a precedent and/or has additional financial implications;
- 3.1.7 Check and approve GBWCT staff Time sheets fortnightly, ensuring that they are an accurate reflection of work completed, and that hours claimed are in line with hours budgeted for each programme or service over time (see sections 9 and 10);
- 3.1.8 Work closely with the Financial Manager and Financial Administrator to ensure that all of the necessary information required for sound financial management and accountability reporting is appropriately captured and stored;
- 3.1.9 Work closely with the Financial Manager to prepare financial accountability reports for external funders and stakeholders;
- 3.1.10 Cooperate with the Financial Manager in their financial planning, analysis and evaluation to give the Trustees a sound basis for decision-making, and to safeguard, as far as possible, GBWCT's future as a quality service provider and employer;
- 3.1.11 Assist the Financial Manager in ensuring that any financial issues that arise – whether historical, current or potential – with implications for GBWCT's financial health/sustainability, legal compliance, integrity (and perceived integrity) in the community, staffing structure or future training/service provision are raised, discussed and acted upon in a timely fashion and at the appropriate level; and

- 3.1.12 Provide any information to the Financial Manager necessary for the purposes of monthly financial reporting to the Board.
- 3.1.13 The **Property Manager/Community Development Coordinator** will work with the Financial Manager to develop and monitor budgets for individual GBWCT community development projects and the maintenance of the Trust's buildings and community facilities and equipment; and
- 3.1.14 Seek the advice of the Financial Manager to scope and agree robust, workable community development projects with external agencies and funders, in line with GBWCT's stated objectives and the capacity of the organisation to deliver; and
- 3.1.15 Seek the advice of the Financial Manager to scope and agree robust, workable and affordable solutions to property maintenance and repairs issues; and
- 3.1.16 Work closely with the Financial Manager and Financial Administrator to ensure that all of the necessary information required for sound financial management and accountability reporting of property and community development expenditure is appropriately captured and stored; and
- 3.1.17 Work closely with the Financial Manager to prepare financial accountability reports for external funders and stakeholders;
- 3.1.18 Cooperate with the Financial Manager in their financial planning, analysis and evaluation in regards to property, maintenance and community development projects to give the Trustees a sound basis for decision-making, and to safeguard, as far as possible, GBWCT's future as credible Not-For-Profit organisation; and
- 3.1.19 Provide any information to the Financial Manager necessary for the purposes of regular financial reporting to the Board.

#### 4 **FINANCIAL ADMINISTRATOR**

- 4.1 The Financial Administrator provides data entry and administrative support to the Financial Manager and General Manager. In particular, the Financial Administrator's responsibilities are to:
  - 4.1.1 Process accounts payable and accounts receivable (i.e. invoices) in accordance with GBWCT financial policies and procedures;
  - 4.1.2 Reconcile all manual expenditure with bank statements on a fortnightly basis;
  - 4.1.3 Reconcile expenses paid from petty cash in consultation with the relevant staff and General Manager;
  - 4.1.4 Process other income and expenditure in accordance with the instructions of the Financial Manager or General Manager;

- 4.1.5 Manage the GBWCT payroll, including processing approved Time sheets (see 3.4.7 and section 10), paying wages and withholding applicable taxes on behalf of Inland Revenue;
  - 4.1.6 Take direction from the Financial Manager and General Manager to ensure that all of the necessary information required for sound financial management and accountability reporting is appropriately captured and stored; and
  - 4.1.7 Undertake any other administrative tasks as directed by the Financial Manager or General Manager.
- 4.2 The Financial Administrator and Financial Manager use Xero accounting software for GBWCT's financial administration.

## **5. OTHER STAFF**

- 5.1 Each member of staff may be invited to discuss expenditure specifically related to their department or programme with the General Manager. No expenditure or promise of expenditure will occur without the signed approval of the General Manager in line with the financial policies of the organisation.

In particular, staff responsibilities are to:

- 5.1.1 Assist the General Manager to research the costs of equipment, materials, resources and staff time necessary to ensure delivery of services to a high standard, in line with the practices and principles set out in sections 6, 7 and 8;
- 5.1.2 Assist the General Manager as required to purchase necessary equipment, materials and resources as detailed in the approved budget, following the practices set out in section 6, and ensuring adequate documentation is provided to the General Manager;
- 5.1.3 Take direction from the Financial Manager and General Manager to ensure that all of the necessary information required for sound financial management and accountability reporting is appropriately captured; and
- 5.1.4 Undertake any other financial administration tasks as directed by the Financial Manager or General Manager.

## **3.0 General Principles and Practices**

### **EXPENDITURE**

- 6.1 As set out above, authority for approving expenditure follows a two-tier system:
- 6.1.1 Management staff can approve expenditure of up to \$500 (in line with agreed budgets);

- 6.1.2 The Trustees must pre-approve any unbudgeted expenditure of over \$500, or where there are additional factors to be considered.
- 6.2 Major expenditure decisions are to be made with due regard given to competing financial priorities, GBWCT's stated objectives and the financial outlook for GBWCT at that time. Where members of the Board and/or the Financial Manager and Management staff disagree on expenditure, the Trust's constitution provides appropriate guidelines and mechanisms for decision-making.
- 6.3 All payments, whether manual, electronic or web-based, must first be authorised by two approved signatories. The Financial Manager and General Manager hold a list of approved signatories.
- 6.4 All invoices from contractors must be presented by the contractor directly to a member of the Management team for signing off before any payment will be actioned by the Financial Manager or Financial Administrator.
- 6.5 All purchasing decisions must be made in accordance with the following principles:  
More than one competitive quote may be obtained for any item of expenditure exceeding \$1000, unless there is valid reason not to (e.g. there is only one possible supplier);
- 6.5.1 The cheaper quote should always be accepted unless there is a clear advantage from choosing a more expensive supplier (e.g. benefits of using a local business, quality of goods);
- 6.5.2 Written quotes should always be dated and specify quantities, unit cost(s), GST, delivery date and cost (if applicable) and any additional charges or special conditions;
- 6.5.3 Sourcing second-hand goods should always be investigated where there is no significant advantage in buying new items;
- 6.5.4 Negotiating a discount via bulk purchasing or loyalty to one supplier should always be investigated where the same goods/services are bought frequently; and
- 6.5.5 Tax invoices/receipts are required for all purchases. Although this is standard practice, it is *especially important* for purchases where an external funder and/or IRD requires detailed accountability reporting. Failing to supply an original tax invoice/receipt to document a purchase may result in the expense not being reimbursed.

## 7. HUMAN RESOURCES

- 7.1 GBWCT staff represent the Trust's largest area of expenditure, are the organisation's most important resource, and contribute in a variety of ways to the achievement of its objectives.
- 7.2 It is a priority for GBWCT to ensure that appropriate staffing levels are maintained to:
- 7.2.1 Meet the service delivery demands of our programmes, and provide adequate support, guidance and pastoral care to all clients and participants;
  - 7.2.2 Achieve, as far as possible, the outcomes agreed with stakeholders during the negotiation of service contracts;
  - 7.2.3 Meet departmental and organisational administration requirements
  - 7.2.4 Provide high-level management, and development of GBWCT as an organisation; and
  - 7.2.5 Ensure all GBWCT staff are adequately supported in their respective roles.
- 7.3 Using its human resources judiciously is critically important to GBWCT's overall financial health and sustainability. GBWCT aims to achieve this through:
- 7.3.1 Regular and robust planning – for training, contracted services, community development and strategic/organisational development;
  - 7.3.2 Continuous development and refinement of GBWCT services, programmes and initiatives;
  - 7.3.3 Development of detailed job descriptions and regular performance reviews for all staff;
  - 7.3.4 Provision of adequate training resources and auxiliary support to staff (e.g. casual and other support staff);
  - 7.3.5 Effective management of staff, including individual work planning and oversight of pay claims;
  - 7.3.6 Regular opportunities for staff feedback and involvement in decision-making;
  - 7.3.7 Regular professional development opportunities and professional supervision for all staff (see GBWCT policy: *Staff Professional Development and Supervision policy*); and
  - 7.3.8 Provision of disputes resolution procedures.
- 7.4 In areas of **service development and training and education planning**, the General Manager will consult with the staff directly in the first instance, and the Trustees and/or Financial Manager as appropriate. Matters deemed to be purely training and education administration issues will be decided by the General Manager.
- 7.5 In areas of **community development planning** (i.e. non-training related activities) the CD Coordinator will consult with the Trustees, Financial Manager, and General Manager, followed by external stakeholders (e.g. MSD) or interested parties (e.g. the



Community Workers), or other staff as relevant. Matters deemed to be purely administrative will be decided by the CD Coordinator.

- 7.6 In areas of strategic/organisational planning, the General Manager will consult with the Trustees and Financial Manager in the first instance, followed by external stakeholders (e.g. MSD) or interested parties (e.g. the Community Workers), or other staff as relevant. Matters deemed to be purely administrative will be decided by the General Manager.
- 7.7 Policy and expenditure decisions related directly to strategic decisions are ratified by the Trustees in response to a formal application made by a member of the Management Team. The Trustees will then delegate expenditure authority to the relevant personnel.

## 8. EQUIPMENT AND RESOURCES

- 8.1 It is a priority for GBWCT to ensure that all staff and participants have access, without discrimination, to the appropriate equipment, materials and resources.
- 8.2 GBWCT commits a percentage of its annual budget to the updating, maintenance and expansion of its equipment, materials and resources. These are deemed to be adequate, comprehensive and appropriate to the purposes of GBWCT, its staff and clients/participants.
- 8.3 Any member of staff can propose the acquisition of additional equipment, materials or resources that they feel will enhance service delivery and lead to better outcomes for clients. However, given budget restrictions, purchases are only considered where a compelling case can be made, and/or where existing resources are no longer serviceable or appropriate to client/staff needs.
- 8.4 GBWCT equipment, materials and resources that are deemed to be outdated, too expensive to repair/maintain or are otherwise surplus to requirements can be disposed of, with any funds raised put toward the purchase of new equipment. The Management team must approve any such disposal and oversee the process, in consultation with the Trustees in the case of high-value items (see *Disposal of Workcentre Resources* policy).
- 8.5 As an important part of the asset-base of GBWCT, an inventory of all equipment and resources is maintained by the General Manager and is regularly updated.
- 8.6 Expenditure decisions related to building improvements/major building maintenance projects at the Workcentre are made annually by the Trustees at their strategic planning meeting. The Trustees will then delegate expenditure authority to the relevant personnel.

## 4.0 Employee Remuneration

### 9. General principles

- 9.1 All GBWCT staff can expect to receive appropriate remuneration (payment) for the performance of the tasks set out in their Job Description, within the constraints of the hours/resources pre-allocated for those tasks.
- 9.2 The General Manager will ensure that each member of staff is clear about the number of hours they are allocated overall, per service, programme or contract as appropriate. This may be presented as a total number of hours over a given period for casual or fixed term staff or as a weekly obligation (for permanent staff).
- 9.3 The General Manager will ensure that each member of staff is clear about what must be achieved within their contracted hours, with reference to individual Job Descriptions, in order to be remunerated.
- 9.4 The General Manager will ensure that each member of staff is clear about the gross amount of remuneration they will receive per hour/week/task/course (as appropriate), and any additional entitlements or deductions that may apply.
- 9.5 If a member of staff feels that they need to work additional hours to achieve these objectives, or want to work additional hours to achieve new objectives, this must be raised and negotiated with the General Manager in advance of any additional hours being worked. The General Manager reserves the right to deny any such extension of hours (and payment) where savings can reasonably be made through more efficient work practices, and/or in consideration of GBWCT's budgetary constraints.
- 9.6 Additional hours may also be payable for:
  - 9.6.1. Statutory holidays that fall on a day normally worked;
  - 9.6.2. Sick leave or bereavement leave; or
  - 9.6.3. Paid annual leave.
- 9.7 Staff members should consult their Employment Contract and the Employee Handbook to establish their entitlements to the above, and if necessary seek clarification from the General Manager prior to claiming additional hours.

### 10. Approval of Timesheets

- 10.1 All GBWCT staff will be remunerated based on completed time sheets in PayHero (except where an invoice is presented – see 6.4 and 11.1.3).
- 10.2 It is the responsibility of each staff member to have pay claims prepared and submitted on time. The Financial Administrator will not identify or pursue outstanding pay claims.

- 10.3 All time sheets/invoices to be submitted for payment must first be approved by the General Manager. This procedure is intended to provide opportunities for discussion of the hours and/or rates to be claimed prior to a time sheet being presented, and to prevent incorrect and/or inappropriate pay claims from being processed. In doing so, GBWCT is committed to acting within the parameters of the law and achieving a fair and reasonable outcome for all parties.
- 10.4 The procedure is as follows:
- 10.4.1 The staff member completes a time sheet in PayHero by midday on Thursday
- 10.4.2 The General Manager checks the time sheet, ensuring that it is correctly filled in, that it is an accurate reflection of work completed, that hours have been properly allocated between and within courses/projects, and that hours claimed are in line with hours budgeted for that course/project/role over time.
- 10.4.3 The General Manager will raise any concerns or queries that arise with the staff member concerned. Any adjustments required will be made in consultation with the staff member. *No changes will be made to a time sheet without the staff member's knowledge and input.*
- 10.4.4 The approved time sheets are then made available to the Financial Administrator for payment on Friday morning (fortnightly).
- 10.5 Should the General Manager be unable to meet with a staff member over a disputable pay claim prior to wage payment day, GBWCT reserves the right to withhold the disputed portion of remuneration until such time as this discussion can take place.
- 10.6 The first payment date will be recorded on the staff member's Employment Agreement.

## **11. Payment of Wages**

- 11.1 Employees will be paid fortnightly into the employee's nominated NZ bank account.
- 11.2 An IR330 form must be completed and signed before any payments will be made by the PAYE method.
- 11.3 To receive payment, the staff member must enter their worked hours on the time sheet in PayHero in accordance with their employment agreement.
- 11.4 The net (taxed) amount will be paid directly into the staff member's nominated bank account.

## **12. Payment by Invoice**

- 12.1 Payment on invoice is only available to registered small businesses or registered self-employed persons and must be negotiated with the General Manager first. The invoice must be presented on a business letterhead, be dated, and include the words 'Tax Invoice'.

- 12.2 To receive payment, the payee must submit their invoice to the General Manager.  
Payments will generally be made by the 20<sup>th</sup> of the month unless otherwise requested.
- 12.3 The gross amount will be paid to the payee by bank transfer.

## 5.0 Associated Documents

Personnel Job descriptions

Personnel Employment Agreements

GBWCT Employee Handbook

GBWCT Constitution