

## **4.1.1 - BRANCH FINANCIAL AND ASSET MANAGEMENT**

### **BRANCH ANNUAL BUDGET**

An annual budget is considered and approved by the Branch Executive Committee in October or November each year. That budget covers all areas of ACT Branch activities, and includes estimates both of receipts and expenditure.

In October each year Commissioners are responsible for submission of their respective budgets for the Chief Commissioner's agreement, in consultation with the Chief Commissioner's Advisory Group. At the same time, the Executive Officer is responsible for submission of the Branch Budget for the President's and Vice President's agreement. The Executive Officer is responsible for coordinating and compiling the overall Budget (compared with actuals) based on these agreed budgets. The Branch Treasurer is responsible for reviewing the overall Budget in consultation with the Finance and Audit Committee and making recommendations to the BEC for its approval in November

Approval of the budget authorises expenditure up to the limits of the respective line items. If it appears that these limits may be exceeded, the approval of the Branch Executive Committee must be sought. The Executive Officer is responsible for providing monthly updates on actual receipts and expenditures including explanations of variances to the Branch Treasurer. The Branch Treasurer is responsible for reviewing the budget in consultation with the Finance and Audit Committee and making recommendations to the BEC as a result of his or her review.

The management of individual areas of the budget is devolved to designated staff and office-holders. Before items of expenditure are incurred, the person responsible for that budget area must determine whether or not funds are available to meet the cost.

### **BRANCH ACTIVITIES FINANCIAL ARRANGEMENTS**

As a general principle, Branch activities are intended to be self funding, which involves receipt of payments by participants, and payment of expenses from funds received.

The scope of Branch activities covers a wide spectrum, ranging from major events such as Jamborees, to smaller activities involving fewer people. There are several fundamental procedures to be followed to ensure that sound financial practices are followed to meet audit requirements:

- Before any major expenditure can be made the Branch Executive Committee must approve the activity budget which should be drawn up by the organisers and submitted to the Chief Commissioner who will present it to the Finance and Executive Committees.
- Receipts must be issued for all payments received, and the moneys deposited in the bank, usually through the Branch Office.
- Expenses should preferably be paid by cheque through the Branch Office against invoices.
- Within three months of the conclusion of an activity a full financial reconciliation must be provided to the Branch Executive Committee by the organisers through the Chief Commissioner.

The specific financial arrangements will vary, depending upon the activity, and the following outline such situations:

- For major activities, such as a Jamboree or Moot, a separate bank account is to be opened for the activity, and controlled by the management team responsible for the activity. Lodgement of applications and receipt of contingent fees is through the Branch Office, and accounts paid either by the office or the management team. Procedures are put in place to ensure that the appropriate financial controls are exercised.
- For other activities where a separate bank account is not opened, the fundamental requirements stated above must still be met. However, it is recognised that there are occasions on which either time constraints, or the nature of the activity, result in cash being received at the activity, and expenses needing to be paid at the time. *Notwithstanding these circumstances, the practice of using received cash for outgoings is not to be followed.* The received money is to be paid into the Branch Office. Where bookings for activities are made in advance, information leaflets to participants should advise that fees should be paid directly to Branch Office.

Provided there is reasonable notice, arrangements can be made through Branch Office for a cash advance to cover minor expenses, which must be acquitted with receipts as part of the reconciliation. Alternatively, if expenses are paid by an individual, they will be reimbursed as quickly as possible after the activity.

Budgets for Branch major activities are to provide a modest surplus and, where such surpluses occur, the funds will be managed as follows:

- An interest bearing deposit account or cash management account will be established with the Branch bank, styled as an Association account, and subtitled Major Events; signatories to be two of Chief Commissioner, President, Treasurer, an ACT Commissioner appointed for the purpose by the Chief Commissioner and the principal administrative officer (By-law 1.7).
- After the financial reconciliation of a Branch major activity is presented to the Branch Executive Committee, surplus funds are to be considered for transfer from the special purpose bank account to the Major Events account.
- Expenditure from the Major Events account is to be approved by the BEC, on recommendations from the Chief Commissioner's Advisory Group.
- When a special purpose account is needed for the next Branch major activity, funds required for expenditure in advance of income can be transferred from the Major Events account at the appropriate time. The activity budget submitted for approval would need to show the level of funding required.

## **PURCHASES FOR BRANCH EVENTS**

The Leader in charge of any major Branch event or Branch contingent to a National event carries the responsibility of ensuring prudent financial management of the sums involved. The following procedures are intended to assist the management process to provide the most advantageous outcome for the event participants.

### *General*

At least two quotations should be obtained for all major items of expenditure to ensure that value for money is achieved.

### *Air Travel*

If air travel is the preferred option, the principal administrative officer (By-law 1.7) and, through that person, the National Office should be consulted so that advantage may be taken of any airline agreement in place at the time.

### **MANAGEMENT OF BRANCH ASSETS**

In respect of assets acquired by the Branch, custody, care and control is delegated as follows -

Branch Office furniture, fittings and equipment	Principal administrative officer (By-law 1.7)
Activity Centre furniture, fittings and equipment	Principal administrative officer (By-law 1.7)
Camp Cottermouth buildings and equipment	Camp Manager
Rock-related activity equipment	Chairman, Rock Activities Committee
Venturer activity equipment	Venturer Commissioner
Camping equipment and cargo containers	Project Commissioner nominated by Chief Commissioner
Gang Show tools, materials, scenery costumes, sheet music recordings	Project Commissioner, Gang Show
Leader Training equipment	ACT Commissioner for Adult Training and Development
Radio/electronics equipment	Radio/Electronics Adviser
Arts activity equipment	Arts Commissioner
Rover equipment	Chairman, Branch Rover Council

Custodians of Branch equipment must -

- a. maintain an inventory of the equipment in their control,
- b. keep an up-to-date record of equipment loaned or hired,
- c. issue receipts for all hire fees, and
- d. deposit fees received with the Branch Office.

In cases where the loss of or damage to Branch assets is the responsibility of an individual or formation, or where the asset has been used without authority, that individual or formation will be expected to pay the insurance 'excess'.

### **EQUIPMENT FUNDS**

Hiring fees received for the rock-related activity equipment and for the camping equipment referred to in the previous section shall be credited respectively to a Rock Equipment Fund and to a Camping Equipment Fund if required in the Branch accounts.

Expenditure from the Funds for items of maintenance or replacement up to a value of \$500 may be authorised by the responsible person. Expenditure for items of a different nature or for larger amounts shall be approved by the Branch Executive Committee on the recommendations of the Chief Commissioner's Advisory Group.

## **BRANCH CREDIT MANAGEMENT**

Credit facilities are widely available throughout the community, and offer convenience and advantages to both consumers and businesses.

The operation of credit accounts by Groups with Branch Office , and acceptance of credit/debit cards from individuals, has been policy for the ACT Branch for a number of years. This statement formalises that policy and defines the conditions for the operation of credit accounts.

Subject to the conditions outlined below -

- Groups may operate accounts with the Branch Office.

Bankcard, Mastercard and Visa are accepted in Branch Office.

### *Branch Accounts*

Branch accounts provide for the charging out of costs associated with a range of administrative activities which would otherwise have to be paid for on an individual basis, with considerable inconvenience.

The majority of Branch Office debit transactions involve membership, training, activities or insurance. Therefore, the following are charged to accounts without specific reference to a Group.

- Membership fees :
  - For new members throughout the year, on receipt of completed application forms. Applications are considered to date from the date of signature by parent/guardian.
  - Bulk membership fees in accordance with Census returns.
  - Bulk membership fees, based on Branch records, when a Group does not submit the Census return by the due date.
- Training Courses - as authorized by the Group Leader or the Group Responsible Contact.
- Uniform items such as badges based on issue of Certificate of Adult Leadership.
- Insurance premiums - as stated in Branch Policy Statement 4.3 - Insurance.
- Activities - There is a wide range of Group and ACT Branch activities which may involve the use of Camp Cottermouth or for which it is determined as part of the planning that certain costs will be charged to Groups. Debits to accounts will be made on the basis of attendance as advised by the leader of the activity..
- Interest on overdue accounts - see terms of payment below.

### *Financial Terms*

The following limits and terms of payment apply to Branch accounts:

- Branch - Normally a limit of \$500 (excluding debits for membership fees after Census cut-off and for insurance); higher limits may be negotiated for larger Groups.
- Under certain circumstances it may be appropriate for the limits to be exceeded temporarily; however, this must be approved in advance by the Executive Officer.
- Payment due by 30th of the month in which the account is issued, after which an interest charge is made, at the Branch Office's current overdraft rate.
- Accounts which are in arrears by more than 30 days will be suspended and Groups advised.

In any case of overdue accounts, the Group is urged to contact the Executive Officer to discuss the situation before it reaches the stage of suspension.

### **CLOSURE OF FORMATIONS**

When a formation is to close, the Executive Officer must be advised, and procedures followed to ensure that all assets, including money, are accounted for. All debts must be paid, financial records reconciled, and all documentation associated with the formation's finances returned to Branch Headquarters. Where a Group Venturer Unit closes, the Group Committee must ensure that the above action is taken within the Group, and the records retained by the Group.

The Executive Officer will arrange closure of the formation account, from which any balance is transferred to a Branch account for 'Defunct Groups', and reflected in the Branch balance sheet.

The Branch Executive has determined that such funds will be held for 3 years, and may be used to re-establish the formation if the possibility arises. After this, the Branch Executive Committee determines the disposal of the funds.

#### Authority

This Policy Statement was approved by the Branch Executive Committee (BEC) on 28 October 1998 and amended in February 2003 and by the BEC on 27 September 2006.

It replaces Policy Statement 4.1 - Financial and Asset Management which was initially approved on 28 October 1992 and amended on 25 June 1997.