

Wellington Hockey Association

Finance Policies



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AUTHORITY TO OPERATE BANK ACCOUNTS

Policy number: 001

Purpose:

To document the procedures to be followed when making payments from Wellington Hockey Association's bank accounts.

This policy covers payments made by cheque, internet banking, direct debit and automatic payment, collectively referred to as "payments".

Procedures:

- Signatories to the organisation's bank accounts must be approved by the WHA Board.
- Current signatories are
 - Chief Executive
 - Finance Officer
 - Office Administrator
 - Deputy Chair
 - President
- All payments over \$5000 must be authorised/signed by the Chief Executive or a Board member plus any other signatory.
- For all other payments, any two of the above signatories can authorise/sign the payment on behalf of the organisation.
- There must be appropriate authorisation and documentation for the payment before it is processed (see policy number 002 – Financial Delegations and Approving Invoices).
- Cheques must not be signed until all details have been filled out. Blank cheques must not be pre-signed.
- Signatories cannot authorise/sign payments payable to themselves.
- Signatories must not disclose details of passwords and security to others. Cheques must be locked away when not in use.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 01

Date for review: 01 December 2011



FINANCIAL DELEGATIONS AND APPROVING INVOICES

Policy number: 002

Purpose:

1. To specify the levels of financial delegation for Wellington Hockey Association so that all payments are approved at an appropriate level and expenditure is kept within budget.
2. To document the procedures to be followed when approving payments.

Procedures:

Before invoices are paid, the following authorisation must be obtained:

- Financial delegations for reimbursing expenses incurred personally by staff members on behalf of the organisation are covered in policy number 004 - Personal Expense Claims.
- Payments over \$5000 require Board approval before payment is made.
- Payments between \$500 and \$5000 require Chief Executive approval before payment is made.
- Payments below \$500 may be approved by the manager responsible for that budget area.

When authorising payments, the authoriser must ensure that:

- Where possible, an invoice is received that meets the requirements of GST legislation. See <http://www.ird.govt.nz/gst/work-out/work-out-records/records-tax/tax-info/> for the requirements.
Failing this, appropriate written authorisation must be received from the Board or Chief Executive. Payments will not be made on a statement. The Finance Officer will advise if the documentation does not meet these requirements.
- The goods/services have been received.
- The invoice is accurate, for example, the goods/services purchased are accurately described and the price is calculated correctly and as agreed.
- The payment is coded against an expense code that matches the budget.
- The authoriser signs and dates the invoice as "Approved for payment".

Authorisation:

This policy was approved by the WHA Board

(Signature)

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CREDITORS PAYMENT POLICY

Policy number: 003

Purpose:

3. To specify how and when payments to creditors are made by Wellington Hockey Association.
4. To ensure appropriate documentation is obtained and kept for payments to creditors.

Procedures:

- Appropriate authorisation and documentation must be obtained before payment is made (see policy number 002 – Financial Delegations and Approving Invoices).
- All payments to creditors are made by cheque, internet banking, direct debit or automatic payment. Payments are not to be made out of cash received from customers. This must be banked intact.
- All payments are to be made in accordance with the payment terms on the invoice.
- Payment runs are prepared weekly if required. These payments are to meet 7 day payment terms or to promptly reimburse staff and volunteers for their personal expenses incurred on behalf of the organisation. All other payments are made on the 20th of each month.
- The cheque number/payment reference number and date of each payment is recorded on the invoice itself, for each invoice/payment.
- Documentation for payments (for example, invoices) is filed by cheque number/payment reference number and then date.

Authorisation:

This policy was approved by the WHA Board

(Signature)

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PERSONAL EXPENSE CLAIMS

Policy number: 004

Purpose:

To specify the process for reimbursing staff and volunteers for expenses incurred personally on behalf of Wellington Hockey Association (referred to as “personal expenses”) and in compliance with Policy number 2.

Procedures:

Where possible, expenditure on behalf of Wellington Hockey Association should be invoiced directly to the organisation (for example, for travel, accommodation including meals, conferences and training). However sometimes it is necessary for staff and volunteers to incur expenses personally on behalf of Wellington Hockey Association when carrying out their duties. When this occurs, reimbursement may occur within the following guidelines.

- The following types of expenditure incurred on behalf of Wellington Hockey Association will be reimbursed:
 - The use of a staff member’s own vehicle will be reimbursed at the prescribed mileage rate of 30 cents per kilometer
 - Staff member’s own meals up to \$45/day when travelling
 - Reimbursement of public transport costs (e.g. bus, plane, taxi) – NB there is an expectation economy fares will be booked well in advance of travel
- The following types of expenditure will not be reimbursed:
 - Traffic, parking or other fines
 - Late payment interest in credit cards
 - Personal items charged on a hotel account
 - Purchases made with airpoints dollars
- Expenses over \$200 must be approved prior to being incurred in accordance with the appropriate financial delegations (see policy number 002 – Financial Delegations and Approving Invoices).
- Personal expense claims must be submitted on the required form. The claimant must confirm by signing the written statement that the expenses were incurred by the claimant while carrying out the organisation’s business.
- Expense claims must be submitted within two weeks of the expenses being incurred using the Expense Claim form.
- Each expense must be itemised with an appropriate description, and coded to an expense code that is matched to the budget.
- Tax invoices supporting the expenditure must be attached to the claim. Credit card receipts or credit card statements are not sufficient for this purpose.
- Personal expenses incurred by the Chief Executive must be approved by the Board.
- Personal expenses will only be reimbursed by cheque or internet banking.

Authorisation:

This policy was approved by the WHA Board

(Signature)

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BANK RECONCILIATION

Policy number: 005

Purpose:

To document the bank reconciliation process for Wellington Hockey Association

Procedures:

- A reconciliation of all Wellington Hockey Association's authorised bank accounts is to be undertaken on a monthly basis.
- All reconciliations are to be finalised no later than the 15th working day of the following month.
- The reconciliations are prepared by the Chief Executive.
- All reconciliations are to be authorised by a Board Member.
- The Board shall receive for approval a copy of all reconciliations at its monthly meeting.

Authorisation:

This policy was approved by the WHA Board

(Signature)

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Date for review: 1 December 2011



PROCESS FOR BANKING CASH/CHEQUES

Policy number: 006

Purpose:

To document the process for banking cash and cheques received by Wellington Hockey Association in payment for its goods and services.

Procedures:

Wellington Hockey Association recognises the importance of the security of cash and cheques received from customers. The following steps will be taken to ensure that integrity is maintained throughout the banking process, that errors are avoided and that the chances of fraud are minimised:

- Uniquely numbered receipts are to be issued for all cash receipts. These will record the:
 - Name of the organisation
 - Date paid
 - Payee
 - Amount received in words and numbers, and
 - What the payment is for.
- All cash received is to be banked and is not to be used to pay other expenses.
- Cheques received by mail will be crossed and recorded
- Cash and cheques will be banked within 5 working days of receipt to ensure that they are not lost, and to ensure that the funds are banked and available for use by the organisation.
- Cash and cheques are locked away until they are banked. Access is only available to the Finance Officer, the Office Administrator and the Chief Executive.
- Cash and cheques received for Wellington Hockey Association are only banked into the operating bank account of Wellington Hockey Association. These are to be recorded against an income code that is matched to the budget.
- All banking batches, both cash and cheques, are to be checked by the Chief Executive before they are banked to ensure their accuracy, for example, that the total banked agrees to the receipts.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 01

Date for review: 1 December 2011



DEBTORS POLICY

Policy number: 007

Purpose:

To specify the process to be followed in managing Wellington Hockey Association's debtors.

Procedures:

- The Finance Officer is responsible for managing the organisation's debtors in conjunction with the Chief Executive.
- Payments from debtors can be received by cash, cheque or internet banking. Credit card facilities are not available. Debtors are required to provide a reference number (usually the invoice number) when making payment so that the payment can be allocated against the appropriate debtor.
- At the end of each month:
 - Current debtors receive a statement (i.e., when the invoice was raised in the current month)
 - Debtors 30 – 60 days old receive a statement with a reminder about it being overdue. (Sticky labels can be purchased for this.)
 - Debtors 60 – 90 days old receive a standard overdue letter.
 - Debtors older than 90 days receive a phone call.
- Various payment options will be considered on a case-by-case basis by the Chief Executive to allow debtors to pay off their debts over a set time period.
- Consideration should be given to requesting payment in advance from those people with a history of late/no payment. This decision is to be made by the Chief Executive.
- In accordance with policy 010 – Fees:
 - Unless a prior arrangement has been entered into, any club with fees that are not paid by 15 June each year will incur a 10% late fee and the team(s) may be suspended, at the discretion of the Board, until the outstanding amount is paid in full.
 - Any club/school with turf fees falling more than 60 days in arrears shall be withdrawn from competition.
- Unless prior arrangement has been made, if enrolment fees are not paid before the holiday programme commences, or tournament/representative fees are not paid before the representative tournament starts, the player will not be able to participate in the programme/event.

Authorisation:

This policy was approved by the WHA Board

(Signature)

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Date for review: 1 December 2011



SETTING AND INVOICING TOURNAMENT FEES

Policy number: 008

Purpose:

To document how representative national tournament fees are set and invoiced by Wellington Hockey Association (WHA).

Procedures:

- WHA sends various youth representative teams to tournaments around New Zealand. Part of the cost of players' travel and accommodation is subsidised by WHA with the remainder of the cost paid by the players.
- The cost to each youth player who attends a national tournament is the same regardless of which team they are representing and where they are travelling (subject to operation of the Chief Executive's discretionary fund).
- This policy does not apply to teams not attending a national tournament or to Under 21, Senior Nationals and NHL players.
- The cost is calculated by adding all travel and accommodation costs for all players. The WHA subsidy is deducted from the total cost, and the remaining costs divided equally amongst the players attending.
- Each player is invoiced for their share of the costs via WHA's invoicing system (see policy number 009 – Raising Invoices).
- The invoices/costs are subsequently managed as part of the debtors policy described in policy number 007 – Debtors Policy.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 01

Date for review: 1 December 2011



RAISING DEBTORS INVOICES

Policy number: 009

Purpose:

To document how Wellington Hockey Association raises debtor invoices and how they are treated in the general ledger system.

Procedures:

- The Finance Officer is responsible for raising invoices to debtors through Cash Book Complete.
- All requests to raise invoices should be on the prescribed form, detailing:
 - Name of debtor
 - Full postal address including post code
 - Description of goods/services to be entered on the invoice
 - Amount, and whether it is inclusive or exclusive of GST
 - The income code that the invoice is to be coded against
 - Signature of authoriser and date of authorisation.
- The invoice number is written on the top of the request which is then filed in alphabetical and then date order.
- The outstanding debtors' balance is journalled to the general ledger system at year end.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 01

Date for review: 1 December 2011



AFFILIATION FEES

Policy number: 010

Purpose:

To document how Wellington Hockey Association sets its annual affiliation fees and the treatment for non-payers.

Procedures:

The procedure for the setting and payment of affiliation fees, entrance fees and turf fees are contained in the Association's rules and handbooks and are summarised below.

Annual Affiliation Fees

- Section 20.2 (a) of the rules states that each sub-association shall pay an annual affiliation fee that is set by the Board and is payable on or before 1 July each year.
- Section 20.2 (b) of the Association's rules allows the Board to set an annual affiliation fee for clubs that is payable for each open grade team, secondary school team, and primary school team and covers affiliation fees, ground upkeep, dressing room rental and capitation fees. Fees must be paid by 15 June each year, otherwise a 10% late fee will be imposed and the team may be suspended, at the discretion of the Board, until the outstanding amount is paid in full.

Entrance Fees

- Section 20.2 (a) of the Association's rule states that each new club or club rejoining after being unaffiliated for more than one year shall pay an entrance fee of fifteen (15) per cent of an open grade team fee.
- Section 20.2 (a) of the Association's rules states that each sub-association shall, upon affiliation with the Association, pay an entrance fee as set by the Board.
- Entrance fees must be paid by the Monday one month prior to commencement of competition, otherwise the club risks their teams not being entered in the competition.

Turf Fees

- All WHA invoices for turf fees are to be paid in full on the 20th of the month following the invoice date. Any club falling more than 60 days in arrears shall be withdrawn from competition. NB the National Hockey Stadium Trust issue invoices to clubs and schools for turf fees for Open Grade games and practices, Secondary Competition practices and Primary Competition Practices. WHA are invoiced directly by the NHS Trust for Secondary and Primary competition games

Authorisation:

This policy was approved by the WHA Board

(Signature)

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INVESTMENTS

Policy number: 011

Purpose:

To document how Wellington Hockey Association may invest its cash funds in order to ensure that it has enough resources available to meet its budget targets while achieving growth.

Policy:

- The Board is responsible for the financial management and sustainability of Wellington Hockey Association. As such it is responsible for setting and approving the investment policy for the organisation.
- The CEO is responsible for implementing the investment policy as approved by the Board.
- To help achieve the organisation's targets, the Board approves an annual operating budget detailing operating income and expenses for the year. Any cash assets not required to meet current operating expenses will be invested to generate and maximise earnings from those funds while ensuring that the funds are invested securely to minimise the risk to the organisation.
- The organisation must ensure that it has timely access to cash to cover current liabilities, planned expenditure and unplanned expenditure.
- All investment accounts that are opened must first be authorised by the Board and only opened in the name of Wellington Hockey Association.
- All investment income earned will be paid into Wellington Hockey Association's operating account and included in the organisation's operating income.
- Funds must be invested in registered banks, interest-bearing call accounts and term deposits.
- The CEO will report the balance of all investments at Board meetings
- The allocation of assets and suitability of the investment portfolio will be reviewed annually as part of the preparation of the budget and annual business plan.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

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RESERVES

Policy number: 012

Purpose:

To record Wellington Hockey Association's policy on establishing reserves, determining their uses and setting their levels.

Policy:

Specific reserves

From time to time, Wellington Hockey Association may receive funds by way of grant, donation or bequest that the donor asks to be set aside for a specific purpose. The Board of Wellington Hockey Association may also decide to set aside funds for a specific project or activity, and therefore establish a specific reserve for this purpose. In either of these instances, the following policies apply:

- A separate reserve will be set up for this amount.
- The reserve is to be used for the purpose specified and not for the day-to-day running of the business. This amount is not for distribution to individuals.
- The initial level of the reserve will be the amount of the original bequest, donation or grant, or the amount set aside by the Board.
- Any income or expenses relating to that reserve will be recorded separately and allocated against that reserve.
- Expenses paid from the reserve must be approved by the Chair of the Board.
- The reserve will be separately identified in the organisation's financial statements.

General reserve

Wellington Hockey Association recognises that a minimum level of general reserves are essential in its business. General reserves are used to cover an unexpected shortfall in income, fund unexpected activities, or to grow the business. The following policies apply to general reserves:

- The general reserve will cover the running of the business and is separate to other reserves set up for specific purposes. This amount is not for distribution to individuals and must be used to further the purposes of the organisation.
- Any income or expenses not related to other specific reserves will be allocated against this reserve.
- The Board aims to keep this reserve at a level equivalent to 6 months (operational) Expenses, averaged over the last two years.
- The reserve will be separately identified in the organisation's financial statements.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 1

Date for review: 01 December 2011



EQUIPMENT

Policy number: 013

Purpose:

1. To record Wellington Hockey Association's policy on purchasing, recording, maintaining, replacing and disposing of equipment.
2. To record the process for distribution of equipment to representative teams.

Policy:

Purchase, recording, maintenance, replacement and disposal

- All equipment is to be purchased in accordance with policy 002 – Financial Delegations and Approving Invoices, in relation to financial delegations and tax invoices.
- All equipment where possible, is to be uniquely numbered and labeled to allow easy identification.
- An asset register is to be maintained with the following details:
 - Cost
 - Unique Identifier/Asset Number
 - Equipment Details, including serial number, make, model etc
 - Location
 - Purchase Date
 - Depreciation Rate
 - Accumulated Depreciation and Depreciation Expense
 - Net Book Value
 - Disposal/Retirement Date
 - Method of Disposal
 - Sale Proceeds
- All assets costing over \$500 are to be capitalised and depreciated in accordance with the organisation's accounting policies.
- Wellington Hockey Association use the diminishing and straight line depreciation methods.
- Assets will be inspected every year to ensure they still exist and are in useable condition.
- Insurance cover for assets will be reviewed every year to ensure policies are still adequate.
- If ownership papers are provided, these are to be stored safely.
- Authorisation must be obtained from the Chief Executive before disposing of assets to ensure that the disposal is recorded accurately in the accounting system.

Distribution of equipment

- Balls, cones, bibs and uniforms (“equipment”) are available for distribution to representative teams.
- Equipment distributed to representative teams will be the responsibility of the team manager. The team manager must record who each uniform item has been distributed to and return a copy of the form to the Office Administrator.
- The team manager must sign an agreement form and a bond of \$300 will be invoiced to the team before the equipment is distributed. The agreement form states that the bond will be repaid once the equipment has been returned to the Office Administrator in good order.
- The bond will be receipted into the organisation’s bank account and recorded as a current asset. The bond will only be recognised as income if the equipment is returned in damaged condition.

Authorisation:

This policy was approved by the WHA Board

(Signature)

Date of issue: 31 January 2011

Version number: 01

Date for review: 1 December 2011



BOARD REPORTS

Policy number: 014

Purpose:

To specify the reports to be presented at Wellington Hockey Association's board meetings.

Policy:

- The Board of Wellington Hockey Association meets at least 8 times annually.
- The CEO is responsible for providing reports to board members for the board meeting. These are to be distributed by Friday 5pm prior to the Board meeting to ensure the board members have time to read the reports and time to prepare comments and questions. It is expected that board members will read the reports prior to the meeting. The following is the list of reports to be prepared:
 - Profit and Loss Report (Income and Expenditure, Profit and Loss) showing actual, budget and forecast figures and variances.
 - Cash flow forecast, detailing any projected cash flow shortfalls and how these periods are to be managed.
 - Capital expenditure report.
 - Brief narrative report containing a general overview of the accounts, an explanation of any significant variances e.g. over \$5000 (per grouped accounts) and what actions are being taken to rectify the variances (if any). The report should also consider any other matters that should be drawn to the Board's attention.
 - A forecast Statement of Financial Performance for the remainder of the year taking into account any variances identified in income and/or expenditure.
 - Outstanding debtors by 30/60/90 days overdue.
 - Bank reconciliations for the previous month (only one Board member required to review/authorise this report).
 - Investment report listing the entity with which the funds are invested, the type of investment, the rating, maturity date, return on investment and current valuation (as detailed in policy number 011 – Investments). This should also include any bank overdrafts or loans to the organisation.
 - Future payments over \$5000 requiring Board approval.
 - Report detailing sources of income and percentage of income earned from each source, noting any unusual income contributions and reasons for variances.
 - Compliance report detailing all statutory returns/payments due during the month, for example, GST and PAYE returns, Societies Office, Statistics New Zealand, confirming that these have been met.

- In addition, the CEO is responsible for providing the following reports for the board meeting annually:
 - Statement of Financial Position (Balance Sheet), including a breakdown of individual reserves and movements.
 - Audited annual financial statements including the management representation letter and any correspondence from the auditors.
 - Annual operating budget.
 - Annual capital expenditure budget.
- All reports presented are to be recorded in the minutes.
- All reports presented are to be approved by the Board and the approval recorded in the minutes.

Authorisation:

This policy was approved by Tim Brown, Chair

(Signature)

Date of issue: 31 January 2011

Version number: 1

Date for review: 1 December 2011



BACK UP SYSTEMS

Policy number: 015

Purpose:

To specify the system used to back up Wellington Hockey Association's data.

Policy:

- It is the responsibility of the Finance Officer to ensure that financial back ups are performing correctly.
- Data is backed up Weekly.
- Data is backed up to a USB
- The storage device is kept offsite at the Finance officer's home and is password protected.
- Every 3 months, the organisation will test the backups to ensure that the data can be retrieved.

Authorisation:

This policy was approved by the WHA Board

(Signature)

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