

## Financial Policy

### 1. Purpose

To inform trustees and those undertaking administrative processes on behalf of the Foundation of:

- the processes related to management of the Foundation's money, bookkeeping and financial record-keeping;
- the limits on incurring liabilities on the Foundation's behalf without approval of trustees;
- the processes to be followed before undertaking travel or incurring other expenses on Foundation business;
- the entitlement and processes for reimbursement for incurred expenses; and
- the processes to be followed when planning an event (for example a profit and loss budget for trustees to review and approve in advance of incurring expenditure as well as enabling cashflow planning and a post event profit and loss compared to budget).

### 2. Role of the Chief Financial Officer of the RNZB/Treasurer of the Foundation

The Chief Financial Officer of the RNZB (**CFO**) will assist the Foundation in:

- the management of its accounts as described below;
- preparing its annual financial return for the Charities Service;
- preparation of the annual budget;
- providing financial oversight,

along with other tasks as may be deemed appropriate in accordance with the MoU between the RNZB and the Foundation.

A trustee of the Foundation will be appointed as the Treasurer of the Foundation (**Treasurer**) the Treasurer will provide financial reports against budget to each meeting of trustees of the Foundation, detailing Profit & Loss, payables, receivables and balance sheet along with tagged fund balances and a cashflow forecast.

The Treasurer will provide donation and general receipts from Xero using the appropriate approved receipt template.

Other processes may be in accordance with the Bookkeeping process attached as appendix 1 to this Policy. The bookkeeping process may be amended or updated from time to time as appropriate, provided that...

### 3. Bank Accounts:

The Foundation's bank account is with Westpac Banking Corporation at Courtney Place, Wellington, account number: 03 0584 0197969 00. The CFO, or their delegate, will be primarily responsible for managing and monitoring this account and any others, including term deposits, which the Foundation authorise them to open.

In accordance with the MoU with the RNZB, the Treasurer, with assistance from the CFO will provide an update on the balances of any accounts for each meeting of trustees of the Foundation.

All trustees may have a viewer access on this account and the CFO/Treasurer will coordinate this, although it is the responsibility of each trustee to complete the required documentation to enable this to happen. The CFO may also designate employees of the RNZB to have viewer access of this account for management and coordination purposes.

All expenditure from this account must be authorised by least two signatories. At the date of this policy the signatories are:

- Jan Dunne
- Ann-Louise Margaret Gower
- Anne Louise Binns
- Jane Katharine Meares

All trustees are encouraged to have viewing rights to the Westpac accounts. Electronic transactions may be actioned by the RNZB CFO but must be authorised by the RNZB Foundation Treasurer or any other authorised signatory.

#### **4. Foundation investments**

The Foundation has appointed Craigs Investment Partners to invest surplus Foundation funds into a balanced portfolio under its Discretionary Investment Management Service in accordance with arrangements entered into in February 2017. In accordance with these arrangements this Investment Policy Statement will be reviewed annually and reporting on these investments to the Foundation trustees will be provided by Craigs no less frequently than six monthly.

All Trustees are encouraged to obtain viewer only access to this account (portfolio number 616521).

#### **5. Software Used**

The Foundation uses Xero Online Accounting Software along with Hubdoc documentation storage and financial source document processing for bookkeeping and preparation of year end financials. The CFO, along with key staff at the RNZB, has access to the Foundation's Xero account. The current Foundation Treasurer's company Training and Beyond Ltd holds the Xero subscription and on-charges the monthly fee to the Foundation extending a 30% discount which is 5% more than the standard not for profit discount, a key employee of Training and Beyond also has access to Xero to support the Foundation Treasurer.

Both software platforms adhere to global security for data storage and are accepted by Inland Revenue as approved cloud storage solutions.

All trustees are encouraged to have viewing rights to Xero.

#### **6. Tax and GST**

The Foundation, as a charitable trust, is not liable for income tax. Nor is it currently registered for GST, although the Trustees monitor this in connection with sales and revenue.

#### **7. Foundation events and Trustees incurring expenses on behalf of the Foundation**

Where a Trustee has primary responsibility for organising, or coordinating, a Foundation function, they will prepare a draft budget and submit it to the Treasurer as far in advance as possible.

Budgets will also be submitted to board meetings for preliminary approval. The purpose of this will be to ensure that any cash flow needs from the Foundation are able to be planned for and that any expenses which will need to be incurred are approved. The Treasurer will prepare a profit and loss against the event budget to be tabled at board meetings.

Any invoices and receipts where possible should be made out to the Foundation.

## **8. Approval of expenses**

Any non-budgeted expenses must be pre-approved by the Chair prior to incurring. The Chair may approve Foundation expenses up to \$500 without prior approval from a board meeting or circulated trustee approval.

Expenses over \$500 must be approved by a quorum of Trustees. At the date of this Policy we have 9 Trustees; a quorum for this approval process is 5 Trustees.

## **9. Trustee Expenses generally**

The policy of the Board is that the following expenses are recoverable by a Trustee:

- Reasonable travel expenses in relation to attendances at Board meetings
- Reasonable travel expenses where the attendance of a Trustee is required at a function or performance out of their city of residence
- Reasonable accommodation expenses where it is necessary to stay overnight in order to attend a Board meeting or a function or performance at which the attendance of the trustee is required.

## **10. Travel arrangements**

- Trustees are encouraged to make bookings at least two weeks prior to meetings/events and to seek to incur the lowest costs, acknowledging that we are a charitable foundation.
- It is normal for a taxi or rideshare service to be used from arrival at the destination airport to the relevant location. Costs for these may be reimbursed and trustees will endeavour to ensure no unnecessary duplication of travel (or transfers to and from airports) occurs.
- Where it is necessary to stay away from home overnight, requirements should be discussed with Foundation trustees or the RNZB, who may be able to arrange accommodation or appropriate bookings at the RNZB's preferred accommodation suppliers. Bookings will be made as standard-room rate only. Trustees are therefore responsible for settling any other charges before departure from the accommodation

## **11. Reimbursement**

Any claim for reimbursement of expenses incurred by a trustee in relation to travel arrangements or a function as described in this policy must:

- be made to the Treasurer,
- for a function, accord with the submitted and approved budget (see paragraph 7 above)
- include evidence of payment and a GST receipt, and

- be copied to the Chair (or in the case of a reimbursement claim by the Chair, copied to the Treasurer or another trustee).

It is acknowledged that trustees may waive reimbursement of any costs to which they would otherwise be entitled under this policy.

### **12. Entertainment generally**

Hospitality reimbursements will not be given unless pre-arranged. In such cases, the Foundation may decide to pay for hospitality against receipt of donations from a trustee.

### **13. Bookkeeping process**

The current process set out in the appendix will enable streamlined bookkeeping processes using Xero and Hubdoc with appropriate authorisation from the Board.

The Treasurer will prepare and circulate monthly accounts payable reports and cashflow forecasts on or about the 10<sup>th</sup> of the month for anything over \$500.

This will capture anything that needs to be approved and paid prior to our next scheduled board meeting. For any expenses over \$500, the Treasurer will recommend payment and ask for approval from the Board via email if the next meeting is more than one month in the future.

### **14. Payments**

CFO or designated authority will make the payments from Westpac as instructed with 2 authorised signatories.

This policy was approved in August 2021 and will be reviewed every two years.

Next review date: August 2023

**Ballet Foundation Bookkeeping Process**

IRD No: 53-532-586

**Purpose:** to enable streamlined bookkeeping process using Xero and Hubdoc with appropriate authorisation from the Board in accordance with our Financial Policy

**Email address for documents**

Trustees and Suppliers to email receipts invoices and bills to [bfonz@app.hubdoc.com](mailto:bfonz@app.hubdoc.com)  
 Or Treasurer@balletfoundation.org.nz

**Receipts process document**

Each type of receipt will have its own receipt template and email template. Be sure to use the correct template's as per below:

- En Pointe (Auckland and Wellington use separate codes). This will consist of a \$150 contribution to events and balance being donation (example of a \$2000 payment - as below)
  - o Email template = En Pointe
  - o Branding theme = Donation - En Pointe

Item Code	Description	Quantity	Unit Price	Disc %	Account	Tax Rate	Jam Jar	Amount NZD
	Donation	1.00	1,850.00		ALK Donation (En Pointe)	No GST	En Pointe - Au...	1,850.00
	Contribution towards costs of events (Non Deductible)	1.00	150.00		ALK Membership Fees (En Pointe)	No GST	En Pointe - Au...	150.00

- General donation
  - o Email template = new template will need to be created
  - o Branding theme = Receipt – Donation
- 50/50 donation from the Wanaka dinner (below coding example)
  - o Email template = Wanaka Donations
  - o Branding theme = Receipt – Donation

Item Code	Description	Quantity	Unit Price	Disc %	Account	Tax Rate	Jam Jar	Amount NZD
	Donation - Cinderella Project	0.50	500.00		General Donations	No GST	Cinderella	250.00
	Donation - RNZB Foundation general purposes	0.50	500.00		General Donations	No GST	EP – Wanaka Fe...	250.00

**Processing of funds received when a receipt is required**

- Create a sales invoice using one of the above examples
  - o To – the name/s listed on source doc provided
  - o Update the contact to include address or email address (whichever is provided) as well as a first name in the contact to display when the email is sent (double check re Dame's salutation)
  - o Date is to be the date that funds were physically received into the bank account
  - o Ensure to select the correct 'Branding theme' for the type of receipt required
  - o Attach form/documentation if provided
  - o Approve invoice
  - o Match the invoice against the payment

- Refresh/re-open the sales invoice, ensuring that amount due is showing as zero
- Click email
- Ensure the correct email template is selected, there is a first name showing on the body of the message, tick boxes 'Include PDF attachments' & 'Mark as sent' are selected and click send

**Use a templated letter with a marketing focus – nice friendly thank you – sent from Treasurer@balletfoundation.org.nz**

**Monthly accounts payable reports on or about the 10<sup>th</sup> of the month for anything over \$500**  
Melanie (Treasurer) will send bills and receipts to Xero and prepare monthly reports for the Trustees due on or around the 10th of the month following. This will capture anything that needs to be approved and paid prior to our next scheduled board meeting. For any expenses over \$500, the Treasurer will recommend payment and ask for approval from trustees in accordance with the Financial Policy.

Jan Dunne (CFO) will make the payments from Westpac as instructed.

Need to pass a resolution to move each jam jar from retained earnings to a reserve fund – this will show on the balance sheet in the equity area – then at year end need to move the reserve fund to expenses and revenue to show movements – Each Jam Jar should have a note as to how it is tagged.

**1** We recommend that only your accountant or bookkeeper create journals, unless you have experience managing your general ledger.

Posted: 1 Jan 2020

Narration: To correct Corey Baker Scholarship fund

Default narration to journal line description

Show Journal on cash back reports

Description	Account	Tax Rate	Jam Jar	Amounts are $\text{NZD}$	
				Debit	Credit
To correct Corey Baker Scholarship fund	296C - Corey Baker Reserve	No GST	Corey Baker	3,858.00	3,858.00
To correct Corey Baker Scholarship fund	296C - Retained Earnings	No GST	Corey Baker		3,858.00
Subtotal				3,858.00	3,858.00
TOTAL				3,858.00	3,858.00

History & Notes

Edited by Michelle Morris on 25 Jan 2020 at 9:28A.M.

Show History (3 entries) Add Note