



Finance & Office Policies

October 2006

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Policy Approval Information

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|----|-------------------------|-----------------|
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| c) | Policy to be reviewed: | As needed |

Policy A - Financial Delegations Policy

1. Purpose

These policy statements relate to the authority of Board members and staff to incur expenses on behalf of USNZ, to approve accounts for payment, to authorise direct credit payments through internet banking, sign cheques and to authorise other financial matters on behalf of USNZ.

2. Policy Position

- a) Personnel who have delegated authority have a responsibility to ensure that financial transactions on behalf of USNZ comply with USNZ policy and provide value for money.
- b) The Executive Director has overall responsibility to the Board for ensuring that financial transactions undertaken by USNZ are in accordance with policy statements.
- c) USNZ will act at all times to ensure that members, sponsors and other funders of USNZ receive the best possible value for money.

3. Guidelines and Procedures

- a) The Board will delegate authority to the Executive Director to manage the day-to-day financial management of USNZ within specific limitations.
- b) The Board will consider and, if appropriate, approve, expenditure proposals where these exceed the delegations assigned to the Executive Director and/or President and Treasurer as appropriate.
- c) The Executive Director shall have discretion to sub-delegate to other staff / contractors within the constraints of their own approved delegated limits.
- d) The matrices of authority with respect to the Executive Director's authorities must be approved by the Board and reviewed annually, noting the delegations [and any changes] from the Executive Director to staff.
- e) All Board / governance related expenditure shall be approved by the President within the parameters outlined in the matrices of delegation.
- f) All bank accounts must be opened under the direct authorisation of the Board and shall require at least two persons to operate.
- g) Significant capital expenditure shall be referred to Constituent Members for consultation and ratification prior to any commitment being made.
- h) All payments (whether electronic direct credit or cheque) shall require the signature of at least one Board member and the President or Executive Director.

4. References or Appendices:

APPENDIX 1: Matrices of Financial Delegations

All Approvals Subject to Approved Budgets	General Meeting	Board	President or Treasurer	Exec Director	Other Staff as agreed by ED
Budgets					
Approval of new capital budget	X				
Approval of revised capital budget		X			
Approval of operating budget	X				
Approval of revised operating budget		X			
Commitments					
Approval of contracts		Disc	\$10,000	\$5,000	
Approval of Purchase Order		Disc	\$10,000	\$5,000	\$1,000
Termination of contracts		Disc	\$10,000	\$5,000	
Call off work against an existing contract		Disc	\$10,000	\$5,000	\$1,000
Approval to set up a price agreement with materials supplier		Disc	Disc	Disc	
Approval of business travel – domestic			Disc	All	
Approval of business travel – international			All		
Approval to dispose of assets		Disc	\$5,000	\$2,500	
Approval to rent or loan assets		Disc	\$10,000	\$5,000	
Approval to send out invoices to customers			Disc	\$100,000	\$50,000
Property transactions	Disc				
Approval of new lease/lease renewal		\$50,000			
Payments					
Approval to pay invoices		\$100,000	\$50,000	\$10,000	
Approval for reimbursement of ED Expenses		All other	\$5,000		
Approval for reimbursement of Staff Expenses		All other	\$5,000	\$2,500	
Approval for reimbursement of Board Expenses		All other	\$2,500	\$1,000	

All Approvals Subject to Approved Budgets	General Meeting	Board	President or Treasurer	Exec Director	Other Staff as agreed by ED
Approval to make tax payments			Disc	Disc	
Approval to make payroll payments			Within Budget	Within Budget	
Approval to authorise petty cash payments			\$1,000	\$500	
Approval to open or close bank accounts		All			
Ability to apply for and accept overdraft facilities		All			
Addition or change to cheque & electronic banking signatories		All			
Authorising / Signing of electronic direct credits and cheques		ED or President and one Board member			
Staff			President only		
Approval to increase/decrease permanent staff levels		X			
Approval to recruit new staff / negotiate contracts		For ED		For all others	
Approval to promote staff			For ED	For all others	
Approval for staff training			For ED	For all others	
Approval to discipline staff			For ED	For all others	
Approval to terminate staff		For ED		For all others	
Approval to grant leave			For ED	For all others	
Authorise hire of short term or contract staff			All others	Up to \$10k	
Administration			President or Treasurer		
Approval to issue keys / passwords			ED	For all others	
Maintenance of contracts register & fixed assets register				X	
Approval of credit cards		X (Fin Comm)			

Policy B - Budget Setting Policy

1. Policy Position

- a) The Executive Director shall have overall responsibility for preparing budget and levy recommendations, consistent with the general direction of the organisation as set out in the Strategic Plan.
- b) Budget planning will be carried out in a manner that allows the Board sufficient time to consult with constituents and stakeholders whilst also ensuring that Board sign-off is obtained at key stages of the process.
- c) The levy shall be set by a meeting of the Finance Commission (as per the Constitution) and the Budget shall ultimately be approved by the Half-Annual General Meeting.
- d) The Board shall take a high-level approach to budget setting, and the Executive Director shall be responsible for establishing and reporting to the Executive more detailed budgets for specific activities/events.

2. Key Budget Setting Steps

As a minimum, the budget setting process shall contain the following steps:

June / July	Review Strategic Plan goals and objectives in consultation with stakeholders (AGM)
August	ED to develop / revise Annual Operating Targets for following year
September	Finance Committee to recommend Annual Operating Targets, proposed Budget & Levy
October	Board to recommend Annual Operating Targets, proposed Budget & Levy
October	Stakeholders consulted on recommended Annual Operating Targets, proposed Budget & Levy
November	Finance Commission approves Levy
November	General Meeting approves Annual Operating Targets and proposed Budget

Policy C - Purchasing and Payments Policy

1. Policy Position

- a) The Executive Director shall be responsible for approving all purchases within agreed budget parameters, consistent with his/her delegated authorities.
- b) The Executive Director is responsible for ensuring that systems are in place to ensure all invoices are processed and payments are made by the due date.
- c) All purchases made by USNZ are to be for business purposes and should be transacted in a transparent manner.

2. Guidelines and Procedures

- a) The following GST inclusive financial limits dictate the method of selection of suppliers:

Under \$5,000	By non-competitive purchase
\$5,000-\$10,000	By telephone quotes from 2 suppliers, with records kept
\$10,000-\$50,000	By written quotes from 3 suppliers, with records kept
Over \$50,000	By full and open tender, advertised with full records kept
- b) Those suppliers providing goods and services to USNZ over \$50,000, or whose goods and services are critical to the successful operation of USNZ should be subjected to a credit check.
- c) Notwithstanding the purchasing method described above, purchasing arrangements may be made with preferred suppliers without obtaining quotes. Reasons for these arrangements are to be documented, and held in central filing. Periodically other suppliers should be assessed to ensure that USNZ continues to get the best value for money.
- d) Only in exceptional circumstances should staff incur work-related expenses, other than travel and accommodation costs. Where staff incur expenses, these will be reimbursed swiftly.
- e) All reimbursement of expenses must be recorded on the current USNZ Reimbursement for Expenses Form. Expenditure with no corresponding receipts will only be paid in exceptional circumstances and must be approved by the President or his/her delegated authority (e.g. Treasurer).
- f) Persons approving accounts for payment are responsible for ensuring:
 - The goods and services were appropriately ordered
 - The goods and services have been received
 - All documentation [eg. quotes, packing lists] are correct
 - The correct USNZ budget line has been identified
 - The amount to be paid reflects the agreed quote
- g) All purchase approvals must be consistent with the delegated limitations set out in USNZ's Financial Delegations Policy.
- h) All accounts are to be processed in a timely manner, with payment made where possible by electronic direct credit.
- i) Payments must be made on original invoice. No payment to be made on receipt of a statement.
- j) Before any payment is made, the following information must be obtained from the supplier:

- The supplier's correct [legal] name and address
- The supplier's GST number
- Credit information [if applicable]
- Any other special instructions relating to payment
- Bank account details on official headed paper

Policy D - Financial Reporting Policy

1. Policy Position

- a) The Executive Director must ensure that the Board is made aware of relevant trends, public events of the organisation, and any material external or internal changes, particularly changes in the assumptions upon which any organisational policies and plans have previously been established.
- b) The Executive Director shall submit the required data in a timely, accurate, and understandable fashion, directly addressing key issues.
- c) The Executive Director shall ensure that the Executive is kept regularly informed regarding the financial state of University Sport New Zealand.

2. Members & Board Reporting Requirements

The following information shall be provided to all Board meetings and provided to member associations on a regular basis:

- a) A detailed and accurate Balance Sheet. The balance sheet shall show the balances of bank accounts, our assets and liabilities and the overall financial health of the organisation. Any assets purchased will also be reflected in this report.
- b) A profit and loss statement with budgets. A Profit and Loss statement reflects the operational position of the organisation. The statements will compare budgeted figures and actuals. Profit and loss for the NZU Games should be reported separately from the main accounts.
- c) A list of debtors (reported to Finance Committee only). A full debt report shall contain all debtors that have been outstanding for more than 30 days and the actions being taken to ensure that the money is collected.
- d) Financial commentary including:
 - An overview on the state of the accounts
 - Preview or not of any possible concerns or risks
 - Explanation of any variances from budget
 - Commentary on financial position and issues

Policy E - Travel Policy

1. Policy Position

- a) Official travel will only be undertaken where this directly furthers the goals and objectives of USNZ. Travel must be within approved budget limitations and be authorised consistent with USNZ's delegated authorities.
- b) USNZ recognises the considerable contribution that staff, volunteers and Board members make to USNZ events and activities and will endeavour to ensure that no individual is financially disadvantaged for travel to and from USNZ events and activities.

2. Guidelines and Procedures

- a) All travel must be approved prior to the travel being commenced, consistent with USNZ's Financial Delegations Policy.
- b) All air travel is to be by economy class. If an individual wishes to upgrade their class of air travel, they may do so at their own cost.
- c) USNZ will not pay for any individual's participation in an air points or rewards programme; e.g. Koru Club membership. Points or rewards earned on USNZ related travel can be credited to the personal account of the individual concerned.
- d) Taxis may be used for travel on USNZ business and are to be used in lieu of rental cars where it is more cost effective or where travel by taxi is more practical [eg. parking, time constraints etc].
- e) Private motor vehicles may be used for USNZ related business once prior approval has been obtained. Mileage will be paid at the standard IRD rate on production of an appropriate reimbursement claim.
- f) Any fine or infringement notices issued as a result of travel on USNZ business is the responsibility of the individual concerned.
- g) USNZ will pay reasonable expenses for accommodation. As a guide, USNZ would not expect to pay more than \$120 plus GST per night in the main centres of Wellington, Auckland and Christchurch and between \$80 and \$100 plus GST per night in other centres.
- h) Only business related accommodation costs are to be charged back to USNZ. Mini-bar purchases, personal telephone/facsimiles calls etc are to be paid for separately by the individual concerned.
- i) Meals and incidentals will be reimbursed where appropriate. As a guide, reimbursable costs for meals should not exceed \$50 plus GST per person per day. Individual reimbursable meals should not exceed the following:
 - Breakfast \$16
 - Lunch \$12
 - Dinner \$30
- j) Where individuals travel overseas on USNZ business, a daily allowance may be negotiated in advance. No receipts will be required to account for the use of this daily allowance.

Policy F - Fundraising Limitations Policy

1. Policy Position

With respect to the organisation's fund-raising programme, the Executive Director shall not pursue or in any other way support any fund-raising activity or process which:

- a) Could in any way be considered illegal or which directly contravenes the organisation's stated values and beliefs.
- b) In any way involves any person, either as a staff member or as an agent of an outside organisation when that person is known to have been associated with embezzlement or has been prosecuted for any form of.
- c) Could result in the organisation's good name being compromised, brought into ill repute or in its being associated in any way with another organisation or individual of ill repute.
- d) Involves the organisation laying out large sums of money in order to match a similar investment by an outside agency/the organisation or utilises financial reserves or current account to float a fund-raising venture.
- e) Permits any one person to have complete authority over the financial transactions involved in any fund-raising venture.
- f) Involves the organisation in any fund-raising ventures which entail high risk unless the Board has given its explicit approval.
- g) Is not fully within the Board's cognisance; therefore it is expected that there will be furnished regular reports to Board meetings indicating in general terms the financial position of any such programme accompanied by brief comments about issues current and relevant to all such programmes.

Policy G - Miscellaneous Financial Policy

1. Policy Position

- a) All staff members, contract personnel, volunteers, Board members, and others incurring expenses on behalf of USNZ have a responsibility to ensure that all such transactions are in accordance with USNZ policy and provide value for money.
- b) USNZ assets are for USNZ use and not for private use. Some personal use of assets [eg. computers] is permissible, but only in so far as it does not conflict with USNZ business.
- c) USNZ's investments will be invested in such a way as to maximize long term total returns consistent with prudent levels of financial risk, whilst maintaining sufficient liquidity to enable the organization to meet its day to day financial commitments.

2. USNZ Credit Cards

- a) Credit Cards will only be issued following a resolution of the Board, based on a recommendation from the Finance Committee, specifying to whom the card is to be issued to and the credit limit that will apply to the card at all times.
- b) All individuals taking possession of a USNZ credit card must sign a Credit Card Terms of Use Agreement [see Appendix 1].
- c) USNZ credit cards may only be used for legitimate USNZ expenses. No personal expenses may be incurred on USNZ credit cards under any circumstances whatsoever.
- d) Cash advances must not be drawn from USNZ credit cards under any circumstances.
- e) Receipts for all credit card expenditure must be kept and reconciled with monthly statements.
- f) All expenditure on credit cards must be within agreed budgets and delegation limits.

3. Gifts and Donations

- a) No staff member or individual involved with USNZ may accept gifts, either in goods or services, if accepting it may give rise to a conflict of interest.
- b) All gifts received by a staff member or individual involved with USNZ whilst acting in an official capacity on behalf of USNZ must be declared to the Board.

4. Use of USNZ Communication Facilities

- a) The use of USNZ communication facilities [eg. Internet, mobile and landline phones, fax, photocopier, email] for limited and reasonable private use is permissible.
- b) As far as possible, private tolls, facsimile costs and photocopier costs are to be identified and reimbursed.
- c) USNZ may purchase mobile phones for its staff; in which case their use is to be limited to business related calls or calls that do not exceed the agreed monthly contracted usage.

5. Entertainment Expenditure

- a) Any entertainment expenditure must be for valid business reasons [eg. building key relationships, representing USNZ, reciprocal hospitality, recognition of individual efforts on behalf of USNZ, building revenue etc.]
- b) All entertainment related expenditure must be within budget and be consistent with USNZ policies.

6. Membership and Subscriptions

- a) The Executive Director may authorise memberships and subscriptions within budgetary limitations.
- b) The Board will endorse the membership of all national or international organisations.

7. Investment Responsibilities

- a) The Board is responsible for determining the organisation's investment strategy and approving all major investment decisions, based on recommendations received from the Finance Committee.
- b) The Executive Director shall monitor all USNZ investments and recommend changes to the investment strategy to the Finance Committee as required from time to time.

8. Reimbursement Claims

- a) Claims for reimbursement of expenses incurred on USNZ business should be submitted to the USNZ Office on the current Internet Banking / Reimbursement Form.

9. References or Appendices:

APPENDIX 1:	Credit Card Agreement
APPENDIX 2:	Internet Banking / Reimbursement Form

APPENDIX 1: Credit Card Agreement

Name of Employee:	
Designation:	

I hereby accept that in using the credit card issued to me under the name of University Sport New Zealand I will:

1. Use the credit card only for USNZ related purchases
2. Ensure that all purchases are consistent with budget parameters
3. Keep receipts for all expenses charged to the credit card
4. Reconcile the monthly credit card statement with the relevant statements, and ensure that all payments have been charged to the appropriate budget code
5. Not use the credit card to make cash withdrawals under any circumstances
6. Not use the credit card for personal expenditure under any circumstances
7. Accept personal liability for any debts incurred through unauthorized use of the card
8. Ensure that the card shall not be used in any circumstances if such use shall cause the card's credit limit to be exceeded
9. Not use the card for the purpose of ensuring that payment of a personal cheque is guaranteed
10. In the event that the card is lost or stolen, ensure that the credit card issuer is informed as soon as possible. In the event that I fail to do this, I understand that I may be personally liable for any debts incurred as a result of unauthorized use of the card
11. Ensure that any 'denied' charges on the card are reported to the card issuer immediately

I understand that failure to comply with this agreement will result in the credit card being taken off me. I also understand that disciplinary action, possibly including dismissal, may be taken if I fail to comply with this agreement.

I hereby also agree that should any expenditure I incur using the credit card be disputed, that I may be personally liable for such expenditure.

Employee Signature:	
Witness Signature:	
Witness Details:	
Date:	

Policy H - Human Resources Policy

1. Policy Position

- a) Staff are entitled to a positive working environment. The Board shall take all practicable steps to ensure that staff are provided with the necessary support and resources to undertake their roles effectively.
- b) USNZ will act at all times as a good employer and will avoid any discriminatory employment practices.
- c) The President shall be the employer's agent for the purposes of managing the employment of the Executive Director. The Executive Director shall be the employer of all other staff of the organisation.

2. Executive Director Recruitment

- a) Where a vacancy for the position of Executive Director occurs, the Board shall form an Executive Director Appointment Sub-Committee, which shall as a minimum contain the President and two other members of the Board.
- b) The appointment sub-committee shall design an appointment process, taking into account required timeframes, stakeholder consultation considerations, and the need for a robust selection process.
- c) The Board shall sign-off on the appointment process, and shall approve the final recommendation of the panel prior to an appointment being made.

3. Executive Director Management

- a) The President shall be responsible for negotiating the employment conditions of the Executive Director, subject to limitations specified by the Board.
- b) The President shall ensure that an annual performance appraisal is carried out. In the course of doing so, the President shall ensure that all Board members are consulted, along with a selection of key stakeholders. The President shall report the outcomes of the performance appraisal to a closed session of the Board.

4. Recruitment of Other Staff

- a) The Board shall be responsible for approving the establishment of all permanent positions within the organisation. The Executive Director shall not be entitled to fill any permanent or long-term vacancies without the approval of the Board.
- b) The Executive Director shall be responsible for negotiating the employment conditions of all staff and contractors, subject to any limitations set by the President or Board.
- c) The Executive Director shall ensure that there is a current and relevant Position Description for all staff and contractor positions within the organisation.

5. General Staff Management

- a) The Executive Director shall ensure that all staff and contractors are subject to a regular performance appraisal, and in the case of permanent staff, shall share the results of such appraisals with the President.
- b) The Executive Director shall ensure that all staff are provided with the opportunity to pursue reasonable personal development relevant to their jobs. Such opportunities will relate to individual development plans agreed as part of the regular performance appraisal cycle.

6. Personal Grievances

All cases relating to personal grievances shall be dealt with in a manner consistent with the employment agreements of all staff members concerned.

7. Volunteers and Helpers

- a) The Executive Director shall ensure that sufficient guidance is provided to all volunteers and helpers involved with USNZ activity. This includes ensuring that clear instructions are given, that volunteers are provided with development opportunities, and that volunteers are rewarded for their efforts.
- b) The Executive Director shall ensure that no volunteers are placed in an environment of unacceptable risk, or that a volunteer is placed in a position where they can enter commitments on behalf of the organization inconsistent with the delegations outlined in this and other policy documents.

8. Parental Leave

That USNZ staff (male or female) be offered 2 weeks (10 days) additional paid leave on top of statutory leave requirements, to be taken at or around the time of the birth of the child.

Policy I - Depreciation Policy

- a) USNZ uses diminishing value as its depreciation policy. This is an industry standard depreciation method, the alternative being the straight line method.
- b) Diminishing value (DV) uses higher rates, but the depreciation per year decreases as the value of the asset diminishes. For example, a \$1000 asset depreciated at 50% by DV will have \$500 depreciation the first year, \$250 ($1000 - 500 \times 50\%$) the next and \$125 the next.
- c) Straight line (SL) uses a constant rate of depreciation per year. For example, a \$1000 asset depreciated at 25% SL will have depreciation of \$250 each year.

Policy J - Reserves Policy

- a) USNZ wishes to maintain a level of financial reserves which will aid the long term stability of the organisation in view of potential threats.
- b) The Board has determined that it wishes a level of financial reserves which would enable the organisation to operate for a 12 month period following an unexpected loss of core income.
- c) The Board has therefore determined that financial reserves equivalent to one year's member levy income should be held.
- d) Where reserves are below or in excess of this level, the Board will, in normal circumstances, operate a budget surplus or deficit to correct the imbalance.

Policy K - Finance Committee

1. Purpose

This policy sets down the criteria USNZ shall use in forming the Finance Committee, and the operating mandate that shall be given to it.

The Finance Committee is an official sub-committee of the USNZ Board. The purpose of the Finance Committee is to work with the Executive Director to review and advise on all financial matters of USNZ. A core purpose of the Finance Committee is to make relevant recommendations for adoption by the Board.

The Finance Committee shall meet at least three times per year and ensure that all minutes of all meetings are provided to the Board for approval.

2. Composition of the Finance Committee

- a) The Finance Committee may include people who:
 - » Are representative of members and stakeholders.
 - » Have a range of knowledge or skills that are relevant to the management of the USNZ (e.g. Accounting knowledge, sponsorship and marketing, policy and processes, etc).
 - » May have some past knowledge of USNZ or like-minded organizations like NSO's.
 - » Are available for meetings, at least 3 times per year, and who are willing and able to contribute to the Committee.
- b) The USNZ Treasurer shall Chair the Finance Committee. When the Treasurer is unable to Chair a meeting, the President will then chair the meeting.
- c) The ideal composition of the Finance Committee should be between 3 – 5 members including the Executive Director.
- d) The Board may remove members from the Finance Committee at any time.
- e) The Board shall appoint members to the Finance Committee for a set period of time.
- f) The Executive Director and President of USNZ shall be ex-officio members of the Finance Committee and may attend all meetings or send delegates in their place.

3. Role of the Finance Committee

- a) Assist the Executive Director in drafting the Annual Operating Targets.
- b) Prepare a draft budget for presentation to the Board including recommendations of levy levels. Once the Budget has been set, monitor progress to ensure that budgetary limitations are adhered to.
- c) Undertake longer term financial planning.
- d) Provide advice on potential cost savings and efficiencies within the organisation.
- e) Advise in maximizing the organisation's income and assist in identifying new or additional sources of income.

- f) Monitor progress against the USNZ budget, strategic and operational plans, ensuring that where concerns exist, these are raised with the USNZ Board.
- g) Consider issues as requested from time-to-time by the Board – including issues raised by the International and National Committees.
- h) Provide advice and recommendations to the USNZ Board on changes to financial and management policies.
- i) Review and recommend changes when appropriate to the USNZ Board, contracts, service providers and leasing arrangements.
- j) Ensure that all relevant stakeholder views are considered and, as far as possible, accommodated within the decision making of the Finance Committee.
- k) Provide the Executive Director with any other advice and support as he/she may request from time to time.

Code of Conduct

All USNZ staff, Board members, contractors, and all other persons representing or serving USNZ in any capacity will:

- a) Act in a manner that upholds the reputation and standing of University Sport NZ.
- b) Conduct themselves in an ethical, competent and professional manner.
- c) Respect the democratic nature of the organisation.
- d) Act in a manner consistent with the USNZ Constitution, organisational and competition policies and the decisions of the USNZ General Meeting.
- e) Promote Fairplay and team spirit at all USNZ events and activities.

Where any person acts in a manner inconsistent with these principles, the Board shall pursue a suitable course of action. This may include:

- a) Taking action to remove the person concerned from USNZ events.
- b) Issuing a letter informing the person concerned that their behaviour is unacceptable.
- c) Banning the person concerned from USNZ events and activities.
- d) Making a complaint to the relevant disciplinary body (eg. University disciplinary body, sporting disciplinary body).