



TYPE OF DOCUMENT: POLICY

TITLE: FINANCIAL MANAGEMENT

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POLICY STATEMENT

Perth Boat School will ensure that it maintains sound financial practices, ensuring the financial security of Perth Boat School and enabling its ongoing viability, profitability and growth. Conservatism will prevail as the key influence over finance decisions. Equally, an uncompromising commitment to integrity and professionalism will remain the keystone to all finance, banking, investment and general business transactions.

In accordance with the requirements of the Australian Quality Training Framework (AQTF 2007), Perth Boat School will:

- a) implement and maintain effective financial management procedures
- b) designate a person, in writing, with direct access to the Chief executive, who has defined responsibility and authority to ensure the org complies with its financial management policies;
- c) ensure that the designated person; monitors and reports on compliance with its financial management policies and procedures;
- d) ensure that the designated person provides formal assurance to the TAC, that Perth Boat School has sound financial management standards;
- e) ensure that a report of certification of accounts is prepared by a qualified accountant (CPA or ICA) at least annually and are made available to TAC upon request;
- f) ensure that a full financial audit report by an independent qualified accountant (CPA or ICA) is obtained and made available to TAC upon request;
- g) implement and maintain procedures to protect fees paid in advance, which identifies these fees separate from other funds.



FINANCIAL MANAGEMENT

1.0 INTRODUCTION

Perth Boat School is committed to establishing a long term presence in the vocational education and training sector, as a provider of quality training and assessment services. A key factor in attaining this aim, is the ongoing financial stability and wellbeing of Perth Boat School, resulting from careful, responsible and hands-on financial management, aligned to the business goals, the nature of its operations and the nuances of the market in which it competes.

2.0 PRINCIPLES:

The following principles underpin this policy:

- Perth Boat School will strive to maintain a highly competitive fee structure. Flexible payment arrangements will accommodate individual circumstances.
- Perth Boat School aims to maintain a sound financial position, which facilitates its stability, planned business growth and profit projections by:
 - Formulation of and adherence to an annual budget;
 - Ongoing reinvestment in the business to ensure it remains well resourced to meet client needs;
 - Maintenance of adequate cash reserves to meet planned commitments, as well as unforeseen contingencies;
 - Striving to remain debt free as part of its overall strategy of optimising return on investment and consequently maintaining price competitiveness;
 - Careful safeguarding of assets, via comprehensive insurance and security measures.

3.0 SUPPORTING DOCUMENTATION

Perth Boat School documentation which supports the implementation of this Policy includes:

- Accounts payable file
- Accounts receivable file



4.0 PROCEDURES:

FINANCIAL MANAGEMENT

17 - 01

Step One - Financial management of Perth Boat School

- 1 The Manager of Perth Boat School is the person who has defined responsibility and authority to:
 - a. Ensure that Perth Boat School complies with its financial management policies;
 - b. Monitor and report on compliance with its financial management policies and procedures, for review and as a basis for improvement; and
- 2 When requested, provide the State or Territory registering body that has registered it with a formal assurance that Perth Boat School has sound financial management standards for matters related to Perth Boat School's scope of registration and scale of operations.

Step Two: Business and financial plan
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- The Director & Manager of Perth Boat School in collaboration with the key stakeholders, develops the business and financial plans as per Business Planning Policy.

Step Three: Budget

- The Manager of Perth Boat School develops an annual budget in April – May of each year for the following financial year.

Step Four: Perth Boat School Annual Accounts

- Perth Boat School accounts are compiled annually by the Director Perth Boat School and submitted to the company Accountants for consolidation, taxation compliance and planning, superannuation compliance and planning.



FEES	17 - 02
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Step One : Fair and reasonable Fees
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- Fair and reasonable fees are set by the Manager of Perth Boat School and amended at their discretion. Fees are set in a "Schedule of Fees".
- Fees are determined by the use of a formula with all fees and charges being competitively comparative.
- Fees can, with prior approval of the Director Perth Boat School, be negotiated depending on size of business opportunity.
- Fees for training programs are payable in advance or on credit if as approved by Manager of Perth Boat School.
- Enrolments are considered tentative until full payment has been received.
- Flexible payment arrangements, such as instalments, credit card, cheques are available to accommodate the varying financial circumstances of participants and potential participants, at the discretion of the Director of Perth Boat School.

Step Two : Fees paid in advance
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- Course fees are payable in advance. Payments of fees are accepted by cash, cheque, and credit card.
- The Manager of Perth Boat School accepts receipt of all payments providing a written receipt for all paid accounts to payees.
- Payment details are recorded in the student management system.
- Payments of fees in advance are allocated to a separate account code until confirmation that the service has been provided. This ensures protection of fees paid in advance and assurance that monies not yet earned are noted separately.
- The Manager of Perth Boat School banks all remittances within 2 days of receipt.



ACCOUNTS RECEIVABLE

17 - 03

Step One : Accounts Receivable

- Accounts receivable are raised as required and forwarded to debtors with a payment date of 7 days hence.
- Accounts receivable records are retained for a period of 7 years.
- Upon receipt of payment of an account, the payment is entered on the Accounting system as a credit against the debtors account.
- The Manager of Perth Boat School issues debtors whose accounts are more than one month overdue, with a reminder account.



PURCHASES

17 - 04

Step One: Purchases

- Perth Boat School purchases items for operations from various providers. These may be purchased using the following means:
 - Purchase Order
 - Via Credit card (over the phone or internet)
 - Petty Cash



ACCOUNT PAYABLE

17 - 05

Step One: Accounts Payable

- The Director of Perth Boat School contract trainers and assessors provide a tax invoice to Director Perth Boat School at the conclusion of training and assessment services. GST amounts, if applicable, are withheld from accounts and on-paid in accordance with government requirements.
- The Manager of Perth Boat School, verifies all accounts received, stamping, signing and dating approval for payment, within 7 days of receipt.
- If the Manager of Perth Boat School, ascertains that an account is incorrect, they will contact the contractor for a modified account.
- A copy of all approved accounts are kept.
- If the Manager of Perth Boat School, ascertains that the services or products, for which the account has been received, have not actually been supplied or are defective/unsatisfactory, the matter of service provision will be resolved before payment of the account.
- All accounts paid by the Manager or Director of Perth Boat School are immediately recorded on the Accounting system.



RECONCILIATION

17 - 06

Step One: SMS & accounts system reconciliation

- The Manager of Perth Boat School prints a summary of all financial transactions from both student management system and accounting system for reconciliation each quarter.

Step Two: Bank reconciliation

The Manager of Perth Boat School reconciles bank statement on a monthly basis.

Step Three: Ledger reconciliation
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The Manager of Perth Boat School reconciles the debtors and creditors ledgers on a monthly basis.



CERTIFICATION OF ACCOUNTS

17 - 07

Step One: Annual Profit and Loss returns

- Annual profit and loss returns are prepared by the Manager of Perth Boat School and submitted to accountants.

Step Two: Certification of Accounts

- The Director Perth Boat School liaises with the chartered accountants regarding annual certification of accounts and preparation of its annual income taxation returns.
- In compliance with a formal request from the TAC, the Director of Perth Boat School provides a report from chartered accountants regarding its certified annual accounts
- In compliance with a formal request from the TAC, the Director of Perth Boat School provides a full audit report prepared by the chartered accountants.

Step Three : Business Activity Statement (BAS)

The Director of Perth Boat School in consultation with the Accountant prepares a quarterly Business Activity Statement (BAS) and submits it to the Australian Taxation Office, along with the appropriate remittance (where appropriate) in accordance with the ATOs requirements.



FINANCIAL MANAGEMENT – RTO

17 - 08

Step One: Monitor and Review

- The Manager of Perth Boat School will monitor and review the effectiveness of this policy on a regular basis, at least annually.
- The Manager of Perth Boat School will, in accordance with AQTF internal auditing processes, audit this policy and deployed procedures for compliance.

All areas of concern identified by any means as modifications to any component of this policy and subsequent procedures will be fed into continuous improvement processes.