2nd Battalion Royal Australian Regiment Association, Inc

**Standard Operating Procedure (SOP)**

**STANDARD OPERATING PROCEDURES – FINANCIAL MANAGEMENT**

**SOP No. 2**

*(Version No 2 date 28 July 2023)*

**Introduction** Rule 28 of the Constitution outlines the management of funds and accounts; the treasurer is responsible for performing the financial management process including the provision of financial reports detailing the financial management process including the financial reporting to the executive committee and the preparation of the financial information for the annual audit. In general terms the associations financial management processes are undertaken electronically through the use of appropriate software.

**Aim of this SOP is to detail the procedure for**

1. Receipting money for Membership fees.
2. Receipting monies for the purchase of merchandise.
3. Receipting monies for other receipts.
4. Payment from Associations funds.
5. Financial reporting to management committee meetings.
6. End of year audit requirements
7. Managing merchandise

**Membership subscriptions**

If the subscription is for a new membership, create an individual members personnel record, add to the membership table in the electronic database. Send the new member a welcome kit and a copy of the last edition of RINGO. Table the details of each individual application for ratification at the next executive meeting.

1. **Received as an electronic payment to the association bank account**
	1. On line deposit to the association’s bank account, this needs to be checked regularly for un-receipted monies.
	2. Pay Pal, or any other electronic payment provider, initial advice of payment is received on a Pay Pal new customer order or equivalent advice, the payment however is not processed until the Pay Pal Statement is received with details of the monies paid less the Pay Pal or any other electronic payment provider, transaction fees.
2. **Received as a cash payment or cheque**
	1. Record the receipt in the income section of the electronic spreadsheet under the calendar month received.
	2. Deposit cash or cheque into the association bank account.
	3. Only issue a hard copy receipt if requested.

**Sale of Merchandise**

1. Confirm receipt of payment.
2. Record receipt in the income section of the electronic database spreadsheet in the current calendar month, for Pay Pal or any other electronic payment provider, the amount recorded is minus the Pay Pal fee. Cash or Cheque is deposited in the association bank account.
3. Record the item of sale against the receipt, all postage is inclusive of packaging and postage.
4. After confirming payment inform the merchandise member to fulfil the order and dispatch it to the recipient.

**Note:** Merchandise sold at reunions and Annual Meeting.

1. Receive payment cash, cheque or electronic transfer.
2. Process payment as for sale above.
3. Merchandise given to recipient.

**Monies received from miscellaneous sources, including donations, grants and bank interest**

1. Identify the source and nature of payment
2. Process as a receipt by the association and record the receipt in the income section of the electronic database.
3. Include the total amount of all miscellaneous receipts in the Treasures report at the next executive meeting.

**Payment from the Association Funds**

When a request for payment from the Association Funds is received including invoices and receipts for the purchase of merchandise, reimbursement for authorised expenses incurred by Association Members.

1. Verify the invoice is authorised for payment from Association funds, for merchandise confirm the merchandise member has received the items, for reimbursement confirm the expenditure was authorised at a management committee meeting prior.
2. Process payment either by cheque or bank transfer, cheques require two authorised signing committee members, under rule 28(4) of the constitution.
3. Record the payment in the expenditure section of the electronic database in the monthly expenditure section.
4. Include details of all expenditure in the treasures report at the next executive report.

**Financial Reporting**

**Executive Committee management Meetings**

1. Table a treasures report and move a motion that the report is accepted.
	1. The report is a financial statement of income and expenditure as at the day prior to the meeting, including the bank balance, including Investment and Deposit accounts.
	2. Association membership as the day prior.
	3. Details of new members since the last meeting, for approval of the committee.
	4. Value of current merchandise.
	5. Value of association assets, computers etc.

**End of year Financial Report, 30 September each year**

1. Pass all financial information to the association auditor for the ended financial year (1st October to 30 September) including:
	1. Financial income and expenditure
	2. Bank statements
	3. Pay Pal or any other electronic payment provider statements
	4. Association cheque books
	5. Merchandise stock summary and value of current merchandise
	6. Value of any assets
	7. Obtain the auditor report and financial statements from the auditor in sufficient time to allow time for the secretary for inclusion in the handout for the Annual General Meeting.

**Conclusion**

The Association’s Rules include the financial management requirements and responsibilities. Such requirements and responsibilities are essential for both the internal management of the Association and also to comply with statutory requirements. This SOP has provided the procedures to be followed by the Treasurer to comply with the relevant requirements.

**Review**

This SOP is to be reviewed two years from the current version date unless circumstances require an earlier review.