

1. Purpose

This policy serves as a guiding framework, delineating the principles, procedures, and responsibilities essential for effective financial management. CUC Norfolk Island (CUCNI) will establish and maintain transparent financial management and comply with all reporting requirements.

CUCNI is committed to ethical, timely, sustainable, and cost-effective financial management. CUCNI will ensure that all financial management decisions are in line with the goals and objectives set by the Board. CUCNI will ensure that all financial records are properly maintained and securely stored.

2. Scope

This policy applies to CUCNI:

- Centre Manager and Staff,
- Board members,
- Budget considerations and planning,
- Financial decisions and procurement of goods and services,
- Delegation of financial authorisation
- Annual reporting,
- External reporting requirements.

3. Policy

A. Expenditure

CUCNI operates under funding arrangements with various external parties, such as government agencies, philanthropic donors, and corporate sponsors. All expenditures must adhere to the relevant agreements, including the Federal Department of Education Conditions of Grant, or other formal contracts.

All expenditure will be authorised and monitored as follows:

- *Budgetary Alignment:* Expenditures must align with the approved budget and demonstrate cost-effectiveness.
- *Authorisation Levels:* Spending limits and approvals will be documented by the Board and recorded in meeting minutes and the Delegation of Authority Policy.
- *Monitoring:* The Public Officer will oversee regular financial reporting to ensure accountability.

B. Budget

The budget process is central to financial planning and includes:

- Input from relevant stakeholders.
- Projections for income, expenses, and contingencies.
- Historical data and future trends.
- Compliance with third-party funding requirements.



The budget will be developed annually and approved by the Board to ensure alignment with organisational objectives.

C. Expenses

All financial transactions need to be monitored and reported on by the Centre Manager to the Public Officer who in turn updates the Board. All expenses will be tracked and monitored against the budgeted and actual amounts. Minor, incidental spending is authorised to the spending limits stated in the Delegation of Authority Policy. All other expenditure needs to be approved by an authorised board member or delegate.

All spending limits are authorised by the Board and documented below in the Procurement Matrix:

- The Centre Manager is authorised to approve budgeted expenditure up to and including the values stated in the Procurement Matrix.
- The Centre Manager may utilise the Debit/Credit Card for purchases, with a limit of \$3,000.
- All non-budgeted expenditure above the amounts stated including equipment, works or items must have the written approval of the Board Chair.

The CUC will reimburse its staff expenses incurred by them during CUC business so long as such expenses are reasonable and authorised.

D. Reserves

Reserves play an important role in the financial stability and long-term sustainability of CUCNI. The Board will determine an appropriate level of reserves, which should be updated from time to time to reflect the needs of the Centre. As part of determining the level of reserves, the below should be considered and documented:

- a clear explanation for how the level of reserves has been determined
- the strategy for building an appropriate level of reserves
- reporting and monitoring requirements, including how reserves will be identified in accounts and budgets
- criteria by which spending reserves is considered, and the authority to do so

E. Delegation and Procurement

Procurement Principles: CUC will undertake purchasing with consideration to the following principles:

- Value for money (noting that CUCNI is not registered for GST)
- Environmental sustainability
- Accountability and transparency
- Timeliness and cost-effectiveness
- Supportive of the local business
- Ethical and fair treatment of suppliers

Procurement Conflicts: Any actual, potential, or perceived conflict between a CUC Director or senior member of staff and a prospective or existing supplier must be identified and declared to the CUC Board of Directors. The Board will decide the necessary action that should be taken to manage the conflict of interest.

Procurement Matrix: The Procurement Matrix below provides the minimum requirements for procurement activities and should be used as a guide as to the high-level Procurement Process



required. Procurement activities identified as high risk may have additional governance requirements.

Purchase Type	Threshold/requirement	Approval	Comment
Low-value purchases	One verbal quote/pricing for goods/services valued at less than \$1,000	Centre Manager	Where possible and feasible more than one quote should be obtained.
	Inviting at least two one quotes/pricing that can be written or obtained online. for goods/services valued between \$1,000 and \$3,000		Where possible more than one quote/price should be obtained. Travel etc is limited to supplier routes and times.
Medium-value purchases	Inviting at least two written quotes for goods/services valued between \$3,000 and \$10,000	Board Executive	At least one written quote must be received.
High-value purchases	Inviting at least three written quotes for goods/services valued over \$10,000	Board of Directors	The CUC Board will evaluate all quotes and decide.
Routine monthly or annual goods or services	Inviting at least two written quotes (if available) for new contracts.	Centre Manager	E.g., fire safety checks, security checks, accounting services, yard maintenance, audit service.
Genuine emergency	For emergency repairs up to \$5,000, a preferred supplier can be engaged	Centre Manager	Preferred suppliers based on past usage, or as approved by Board.
Disposal of Asset			
Disposal or sale of plant and equipment or another asset	Any value	Board of Directors	Destruction/Recycling Trade-In Tender or Written Quote Auction/sale Donation
Funding Applications			
Application for external (contestable) grant or subsidy funding	Up to \$25,000	Board Executive	Project scope and financial co-contribution (where applicable) approved by the Board.
	Over \$25,000	Board of Directors	



F. Asset Capitalisation

A capitalisation threshold will be established for all assets. Any item acquired or constructed at a cost exceeding the threshold shall be capitalised as an asset. The threshold amount shall be determined and reviewed regularly by the Board. This threshold should reflect the organisation's financial position and the purpose of the asset. Low-value items with a cost below the established threshold shall be expensed at the time of acquisition.

The depreciation method and estimated useful life and residual value of each capitalised asset shall be determined at the time of acquisition and recorded in the asset register. This should be in accordance with the accounting standards, and CUCNI shall maintain proper documentation of the assumptions adopted and the rationale for this. Depreciation expenses should be calculated regularly and reported in the income statement. The asset's carrying amount should be adjusted to reflect the depreciation expense.

The useful life and residual value should be reviewed periodically and updated if necessary to reflect changes in asset conditions or circumstances. Depreciation schedules and records shall be subject to regular review and audit to ensure accuracy and compliance with this policy.

G. Internal Controls

CUCNI will implement robust internal controls to safeguard its financial resources and prevent fraud, errors, and mismanagement. These controls will include a system of checks and balances, segregation of duties, and regular reconciliations of accounts. Dual authorisation will be required for significant financial transactions, ensuring that no single individual has sole control over critical financial processes. These measures will be reviewed periodically to ensure they remain effective and aligned with best practices.

H. Fraud Prevention and Detection

To uphold the highest standards of integrity, CUCNI will implement measures to prevent and detect fraudulent activities. All employees and Board members are required to report any suspected fraud immediately to the Centre Manager or Board Treasurer/Chair. Investigations will be conducted confidentially and in accordance with legal and organisational protocols. Preventative measures, such as staff training and monitoring systems, will be regularly evaluated and updated to address emerging risks.

I. Audit Requirements

The financial records of CUCNI will be subject to an annual external audit conducted by a certified auditing firm. This process will ensure transparency, accountability, and compliance with Australian accounting standards. The Board will review audit findings and implement recommendations to address any identified gaps or inefficiencies. Internal audits may also be conducted periodically to strengthen financial oversight.

4. Resources

- [Accounting Standards | AASB](#)