

# Financial Management Policy

*Fluid First Aid* is committed to the application of sound financial management practices that meet legislative requirements and the NVR Standards for RTOs 2015. We ensure we can provide ASQA and Commonwealth and State Funding Bodies evidence of sound financial management practices and financial viability on request.

The Directors have overall responsibility for implementing financial management strategies that assure *Fluid First Aid* has sufficient resources to meet the following requirements:

- Adequate physical assets and resources to deliver all qualifications on our scope of registration.
- Sufficient appropriately qualified management, administrative staff and trainers and assessors to provide quality training, assessment and learner support services.
- Provision of training and assessment delivery to ensure each learner enrolled can achieve completion.
- Sufficient financial reserves to maintain solvency in periods where income may drop.
- Sufficient financial reserves to meet all staff entitlements.
- Payment in full of all financial commitments as they fall due.
- Meet the ASQA Financial Viability Risk Assessment Requirements (FVRAR) including:
  - Liquidity – including current ratio and cash flow assessments
  - Solvency – including debt to assets assessment, debt to equity assessment
  - Economic Dependency – for example, reliance upon government funded training, or reliance on a particular cohort of learners
  - Revenue, profit and cash flow
  - Commercial risk
  - Acknowledging Audit opinions and advice from time to time
  - Planning for contingencies
  - Compliance with all of its statutory obligations (for example: GST, taxation,

superannuation, Companies Code)

- Compliance with accounting standards
- Accounting policies – impact of the organisation’s accounting policies on its financial risk.

*Fluid First Aid* will adopt a risk management approach to financial management and will implement the following systems to ensure careful monitoring of our financial position:

- Annual Business Planning and Annual Budgeting
- Project Planning and budgeting as required
- Monthly Analysis Of Budget Variations
- Monthly Profit And Loss Analysis
- Regular Cash Flow Analysis
- Monthly Bank Reconciliations
- Regular Risk Management Analysis
- Monthly Reporting To The Board of Directors
- Accurate and current records of Tax and GST liabilities and payments
- Annual Audit.

## Financial Management Procedures

*Fluid First Aid* will ensure the following procedures are in place:

- Accounts are audited annually by a Certified Accountant.
- The Finance Manager will be appointed to undertake all day-to-day financial management responsibilities. This position reports directly to the Directors.
- All financial transactions are recorded in Xero an accounting software package which is backed up daily.
- All income received as enrolment fees for training and delivery will be receipted in the Learner Management System Ammonite and reconciled with bank deposits on a daily basis. The Directors must be informed immediately (verbally and then in writing) if there is any discrepancy in monies receipted and monies banked.
- Accounts will be reconciled monthly on receipt of bank statement.
- An annual budget will be prepared and presented to the Board of Directors for approval. All

expenditure should be within budget, discrepancies are to be reported.

- Project planning and budgeting will be implemented for short term projects.
- Expenditure before payment is raised must be authorised as per organisational delegations.
- The Directors will do random sampling of transactions from time to time as due diligence of sound financial practices.

## Refund of payment

1. Recognize overpayment or Client has phoned requesting a refund.
2. Client to fill in Refund request form found on our website.
3. Finance Manager to Approve.
4. Director to Action refund of overpayment and send email from bank to client.
5. Director to Inform Finance Manager that this is completed.

## Evidence

The following will be retained as evidence of compliance with Standard 7, Clause 7.2:

- Financial projections
- Business Plans
- Asset registers
- Audited financial reports
- Balance Sheets and Profit and Loss reports
- Cash Flows
- Short term and Annual Budgets
- Data on current and projected enrolments
- Tax Records
- Information on any legal disputes
- Information on Intercompany dealings, transfers, ownerships and loans