

ASSOCIATION FUNDS ACCOUNTS POLICY

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ASSOCIATION FUNDS ACCOUNTS POLICY

PURPOSE

The Association Funds Account is a bank account administered by the local Association Committee. It operates entirely for the purposes of local fundraising activities and serves to fund discretionary projects and expenditure (unbudgeted).

SCOPE

This policy applies to IHC Association Committees and any staff making applications to the Committee for funds.

RESPONSIBILITIES

The Association Chair is responsible for ensuring the account is operated in accordance with this Policy and for ensuring money is used in a way that adds value to the lives of people with an intellectual disability and their families.

Area Managers must endorse applications to Associations using the form in Appendix 1.

The Financial Accountant is responsible for processing receipts and payments and completing the monthly and annual reconciliation.

ASSOCIATION FUNDS ACCOUNTS POLICY

POLICY STATEMENT

IHC is the largest registered charity in New Zealand. Associations play an essential part in IHC's fundraising activities and provide an indication of the extent to which IHC is respected in the community. Accordingly, public awareness is high with an expectation of ethical fundraising and prudent financial management.

Association Committees must follow this policy to ensure appropriate management of their funds accounts.

1 WHY DO ASSOCIATION COMMITTEES HAVE THEIR OWN FUNDS ACCOUNTS?

Associations have Funds Accounts in order to:

- Provide Association Committees with a real incentive to raise funds by giving them the sole right to determine how those funds are spent.
- Encourage Association Committees to get to know the services in their area and identify ways in which they might contribute to those services.
- Give Association Committees the freedom to respond to the local needs as they see them.

The value of local fundraising events has an importance beyond the dollars raised.

Local fundraising events:

- Enhance IHC's image and remind the local community who we are and what we do.
- Promote IHC as a community based organisation.
- Demonstrate that IHC is prepared to help itself.

2 MANAGING THE ASSOCIATION FUNDS ACCOUNT

IHC has a responsibility to manage its funds prudently and in a way that adds value to the lives of people with an intellectual disability and their families. Accordingly, there are rules around the management of your Association Funds Account.

Each Association Funds Account is a BNZ cheque account operated by the Association Committee. Associations are not permitted to set up any other accounts.

Designated cheque signatories are required for your cheque book. The Association Chair should be one of the signatories and every cheque must be signed by two of the designated signatories. You are required to send the names and signatures of your designated signatories to the General Manager Corporate Services at National Office. These will need to be updated as committee members change. Staff cannot be signatories.

All changes must be sent to the General Manager Corporate Services to process and changes must not be submitted directly to the bank by the Association.

3 WHAT CAN WE APPROVE?

Expenditure must be in accordance with IHC delegated authority levels. This means Association Committees can only approve expenditure up to \$10,000. Beyond \$10,000 the following approvals are required:

- up to \$20,000 General Manager approval
- up to \$50,000 Chief Executive approval
- over \$50,000 Board approval

If you are purchasing an asset which is likely to cost more than \$500 (excluding GST) you must get two (2) written quotes from two different suppliers.

4 WHEN ARE APPROVALS REQUIRED?

Prior to expenditure being committed

Approval is required prior to expenditure being committed for:

- routine expenditure over \$1,000
- non-routine expenditure over \$250

The majority of the Association Committee must approve the expenditure. Approval can be obtained at an Association Committee meeting or by email.

After expenditure committed

Associations are still required to approve routine expenditure less than \$1,000 and non-routine amounts less than \$250 at the next Association Committee meeting.

In summary, all expenditure (routine and non-routine) must be approved. Routine expenditure over \$1,000 and non-routine expenditure over \$250 must be approved prior to the expenditure being committed.

You are required to keep a note of all expenditure decisions. These would normally be included as part of your minutes and will be audited from time to time. Also ensure source documents relating to transactions are retained. See Definitions table.

Employment of Staff

Association Committees may not employ staff without the direct permission of the General Manager IHC Programmes.

5 WHAT GOES IN TO AN ASSOCIATION FUNDS ACCOUNT?

The Association Funds Account receives revenue arising from the fundraising initiatives of your Association Committee.

This includes revenue from:

- Local corporate sponsorships and grants.
- Association donations.
- Association membership subscriptions.
- Lotteries and raffles.
- Christmas and occasional cards.

- Donations in memory.
- Opportunity shop sales.
- Revenue from one-off local fundraising projects such as golf tournaments, mid-winter swims etc.
- Other local fundraising.

6 WHAT COMES OUT OF AN ASSOCIATION FUNDS ACCOUNT?

The Association Funds Account pays expenses associated with Association Committee fundraising initiatives.

This includes:

- Any costs associated with local fundraising projects including costs associated with running opportunity shops.
- Costs associated with the work of the Association Committee:
 - Advertising, marketing, promotions.
 - General services.
 - Postage, printing, stationery.
 - Conferences, IHC AGM (any nationally funded delegates)
 - Committee and travel expenses.
- Any projects the Association Committee agrees to support.

7 ASSOCIATION FUNDS ACCOUNTS (AFA) APPLICATIONS

Expenditure on special discretionary area projects is to be applied for using the [Association Funds Account Application Form](#) (refer Appendix 1).

The Application Form must be completed by a Service Manager and submitted to the Area Manager for endorsement.

Where applications are for the purchase of assets such as furniture and equipment and exceed \$500 (excluding GST), at least two (2) written quotes must be obtained and attached to the Application Form when submitted to the Area Manager.

Applications will be included in the agenda of the next scheduled Association Committee meeting and their decision communicated back to the Area Manager within a week of the meeting.

8 SOME GENERAL GUIDELINES FOR USE OF ASSOCIATION FUNDS ACCOUNTS

- Projects funded must be consistent with IHC's philosophy and policy.
- Fundraising activities must observe ethical fundraising practice and align with IHC's fundraising policy and values.
- If making capital purchases (such as a vehicle or an item of equipment), ensure any ongoing operating costs are considered and obtain approval from the manager responsible for those costs.

- If assisting with property expenditure, or purchasing items for homes or day bases or contributing to the decorating, contact Accessible Properties for details of negotiated preferred supplier arrangements as these give good discounts.
- If purchasing computers and if the computer needs to be supported by National Office IT then it will need to comply with national specifications and be approved by the Chief Information Officer (CIO).
- Involve a wide range of people, Association Committee members, staff and people with an intellectual disability in identifying appropriate projects. In particular, liaise with service staff and managers to identify service gaps and client needs. Their assistance may be required to follow through on projects.
- Consistent with IHC's broader mission to support and advocate for all people with an intellectual disability, people outside IDEA Services Limited can be supported.

9 CAN WE TOP UP OUR ASSOCIATION FUNDS ACCOUNTS?

Where the funds account balance is below \$10,000 and there is an insufficient balance to meet requirements, you can seek approval from the General Manager Corporate Services for a transfer of up to \$30,000 from legacies identified for the area. Associations can request one such transfer in any financial year (between 1st July and 30th June). Please use the form attached to the [Legacy Policy](#).

Where insufficient legacy funds are earmarked for use in your area, the General Manager Corporate Services can seek approval from the Chief Executive for transfer of national legacy funds.

10 FINANCIAL REPORTS AND ACCOUNTS

Association Funds accounts will be processed monthly at the area office and sent to National Office using the standard forms in Appendix 2. Forms need to be sent by the fifth (5th) working day each month for National Office to process.

National Office will make any adjustments to your Association Funds account for any income or expenditure processed through the national operating account on your behalf (e.g. GST payments and bank charges are managed through the national operating account).

National Office will prepare a monthly record of receipts and payments and provide a bank reconciliation. These are available to Association Chairs through the secure pages on the IHC website. If you are unable to access the internet, arrangements can be made with the area office to obtain copies.

National Office will prepare year end accounts for presentation at the Association Annual General Meeting. The Association Funds account cheque book is a good source of information as to the major items that have been sponsored and the grants received.

Resources

See website to access your monthly accounts www.ihc.org.nz/associationchairs

11 REFERENCES

[Association Funds Account Application Form](#)

[Legacy Policy](#)

12 DEFINITIONS

Terms are defined in the following table:

Term	Definition
Routine expenditure	Expenditure that is incurred regularly or at specified intervals and over which you have little discretion. The recurring amounts are relatively constant e.g. printing of newsletter on a regular basis, paying for lawn mowing.
Non-routine expenditure	Anything that is non-routine. Expenditure that is not incurred at regular intervals, where there is no discretion and where amounts vary e.g. chattels for properties.

APPENDIX 1: ASSOCIATION FUNDS ACCOUNT

[Association Funds Account Application Form](#)

[illegible]

Association:		
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Summarise Payment

Net Amount	
CODE	Total
(blank)	0
Grand Total	0

Association:		
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Period Ending

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Summarize Receipt

Net Amount	
CODE	Total
(blank)	0
Grand Total	0

OBJECT ACCOUNTS

Object Account Code	Object Account Description
Inter-Account Transfer	
1021	Inter-Account Transfer
1099	GST Reimbursement / Repayment
Income / Receipts	
6426	Interest Received / Paid
6435	Other Income
6715	Membership Subscriptions
6730	Legacies Received
6733	Grants
6735	Donations
6750	Fairs and Gala Income
6755	Lotteries / Raffles – Local
6760	Card Sales
6765	Shop Sales
6775	Fundraising Income – Other
Expense / Payments	
7105	Rent Paid – External
7110	Rates (including water)
7115	Energy
7135	Recoverable Outgoings
7215	Telephone
7525	Bank Charges
7635	Advertising
7642	Committee Travel and Accommodation
7645	General Expenses
7660	Postages
7665	Printing and Stationery
7765	Shop Expenses
7780	Contributions – Services
7790	Fundraising Costs – Other

DOCUMENT REVIEW STATUS

Authoriser	Owner	Review Date	Details of Change
		January 2002	Release of Manual to the Intranet.
	General Manager Corporate Services	November 2007	Owner of the Manual changed to General Manager Corporate Services.
	General Manager Corporate Services	February 2016	Reviewed and reformatted policy into new template.
Policy Group	General Manager Corporate Services	June 2017	Updates to Appendix 1 (Association Funds Account Application Form)
This policy is to be reviewed every three (3) years.			

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