

Financial policy

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Last review date	Quarter 1, 2023
Scheduled review date	Quarter 1, 2025
Purpose	The purpose of this document is to provide a framework for Centre for Community-Driven Research (CCDR) in complying with local authority requirements for maintaining financial and operational records.
Policy (Australian jurisdiction)	<p>CCDR is registered as a charity under the governance of the ACNC.</p> <p>The ACNC guidance states that:</p> <p>Your charity:</p> <ul style="list-style-type: none"> - must keep certain written financial and operational records - can keep the records in any format you choose, as long as they are easy to find (including in electronic form) - can develop its own system or process - must keep the records for seven years - must keep records in English, or in a form that can be easily translated to English - is not required to provide the records to the ACNC unless asked. <p>Financial records</p> <p>These must:</p> <ul style="list-style-type: none"> - correctly record and explain how your charity spends or receives its money or other assets (transactions) - correctly record and explain your charity's financial position and performance, and - allow for true and fair financial statements to be prepared and audited or reviewed, if required. - Even if your charity does not need to submit financial reports to the ACNC (because it is a small or a Basic Religious Charity), your charity still needs to keep - financial records that meet these requirements. The ACNC Act or the ACNC Commissioner could require your charity to prepare financial statements. <p>Operational records</p> <p>These are any other documents about your charity's operations. You must keep operational records that show how your charity:</p> <ul style="list-style-type: none"> - is entitled to be registered as a charity and as its subtype - meets its obligations under ACNC Act, and - meets its obligations under tax law.
Policy (Headquarters jurisdiction)	<p>CCDR headquarters is registered as an association charity under the governance of the Registre du Commerce.</p> <p>The association must:</p> <ul style="list-style-type: none"> - must keep certain written financial and operational records

	<ul style="list-style-type: none"> - can keep the records in any format you choose, as long as they are easy to find (including in electronic form) - can develop its own system or process - must keep the records for ten years - must keep records in French and/or English <p>Financial records</p> <p>These must:</p> <ul style="list-style-type: none"> - correctly record and explain how the association spends or receives its money or other assets (transactions) - correctly record and explain the association’s financial position and performance, and - allow for true and fair financial statements to be prepared and audited or reviewed, if required. - Funds received for ICCDR purposes are used for projects within our international remit. <p>Operational records</p> <p>These are any other documents about the association’s operations. ICCDR must keep operational records that show how your charity delivers work.</p>
<p>Processes</p>	<p>Financial records</p> <p>CCDR will maintain financial records in the following format:</p> <ul style="list-style-type: none"> - Active accounts (those in the current financial year) will be maintained in online accounting software. - Permanent storage will then be electronic in an excel spreadsheet and electronic copy of receipts and documents in CCDR’s cloud filing system - Regularly and at winding up, these may be transferred to a paper copy to retain for seven years. <p>Invoices</p> <p>Invoices issued by CCDR and invoices received for grant payments will be registered in an invoice register. It is noted that invoices for grant payments are often not issued, rather payments made automatically upon signing of a contract or agreement.</p> <p>Budgeting</p> <p>The organisation operates under a budget that must be flexible in responding to unforeseen events, including possible reductions in cash flow. The annual operating budget must therefore be regularly monitored and reviewed.</p> <p>General ledger</p> <p>A working general ledger will be maintained using accrual accounting for day-to-day management of resource allocation. This will complement the bank account record and accountant maintained general ledger which is the actual expenditure within the organisation.</p>

Annual financial report

CCDR is not required to conduct an audit of accounts given the small size of the organisation. Annual financial reporting will be conducted in line with the regulatory requirements.

Payment delegation

Each year the Board will agree on the forward budget. The expenditure agreed on may be executed by the Chief Executive. Two-person sign off for expenditure is not required. If the expenditure varies from the agreed budget, the Chief Executive must seek approval.

Approval must be sought from a Board member for any reimbursements made to the Chief Executive. The Chief Executive can approve reimbursements made to staff and volunteers.

A Chief Executive declaration of reimbursements and income will be maintained.

Register of assets

CCDR will maintain a comprehensive and up-to-date Register of Assets to accurately record all assets owned, leased, or controlled by the organization. This register will be kept within accounting software by the nominated accountant and may include detailed information such as the asset description, purchase date, location, value, and any relevant identification numbers. The Register of Assets will be regularly reviewed, verified, and updated to ensure accuracy and accountability.

Governance ensuring use of charitable funds

In addition to following these financial policies, the CCDR Board is provided with an annual accounting report, financial updates at each Board meeting and where required, interim reports between Board meetings.

Once a year when the annual accounts are being reviewed for endorsement, the CCDR Board will be provided with an itemised list of all expenditure noting alignment charitable purposes and location of benefit.

The Board is able then to identify whether any expenditure has not been used for charitable purposes and provide guidance for a remedy.

Errors in reporting

We recognise that the following types of financial errors may occur

- Data Entry Errors: Mistakes in entering figures, such as misplacing decimals or transposing numbers.
- Misclassification of Transactions: Incorrect classification of assets, liabilities, revenues, or expenses.
- Errors in Estimates: Incorrect or unsupported estimates for provisions, depreciation, or reserves.
- Omission Errors: Failure to record a transaction or event.
- Reconciliation Errors: Mismatches in accounts during reconciliation of balances.

	<p>- Fraudulent Reporting: Intentional misstatements or omissions to mislead stakeholders.</p> <p>Once identified and classified, the process of reporting errors is as follows:</p> <p>Reporting to Senior Management</p> <p>Material Errors: Any errors identified that could significantly impact the financial statements must be reported to senior management immediately.</p> <p>- Frequent Errors: If recurring errors are detected, they must be escalated to the finance department leadership for review and resolution.</p> <p>Reporting to External Stakeholders</p> <p>- Material Restatements: If an error results in the need for a material restatement of financial statements, the organization will report the correction to external stakeholders, including regulatory bodies, investors, and other affected parties.</p> <p>- Disclosure in Financial Statements: In the event of restatements, the organization will disclose the nature of the error, its impact on previous financial reports, and corrective measures taken in accordance with applicable accounting standards.</p> <p>Adjustments to annual financial reports should be reported to the governing authorities and recorded in the Annual Report tab of the year's accounts.</p> <p>Notification of Significant Changes</p> <p>This policy ensures that all stakeholders are informed of significant changes, including alterations to policies, procedures, or terms of service. When a significant change is identified, a formal notification will be sent via phone/email/letter/website/other methods detailing the change, its impact, and any required actions. Notifications will be issued in a timely manner to allow stakeholders to prepare for and adapt to the change. This policy is reviewed annually to ensure ongoing effectiveness and relevance.</p> <p>Significant changes include, but are not limited to:</p> <ul style="list-style-type: none"> • Changes to company policies or procedures • Modifications to terms of service or contracts • Alterations in business operations or practices • Updates to compliance requirements or regulations • Financial updates outside of Board or Annual General Meetings
<p>Policy Implementation and assignment of responsibility</p>	<p>All staff, volunteers and Board members are responsible for adhering to this policy</p>

Annual financial records: Operational guidance

A spreadsheet will be maintained as the true source of records. The spreadsheet will have the following tabs, containing the respective information listed:

BANK ACCOUNT RECORD

- Document reference*
- Date**
- Amount**
- Balance**
- Transaction Type**
- Transaction Details**
- GL Code
- Payment To/From

* Information that is added manually for clarification and monitoring purposes

** Information that is downloaded from bank statement

2023 ACCOUNT GENERAL LEDGER

- Document reference*
- Date**
- Amount**
- Balance**
- Transaction Type**
- Transaction Details**
- GL Code
- Payment To/From
- Notes
- Balance GL
- Object 1 % expenditure
- Object 2 % expenditure
- Object 3 % expenditure
- Object 4 % expenditure
- Object 1 expenditure
- Object 2 expenditure
- Object 3 expenditure
- Object 4 expenditure
- Country of Benefit
- Restricted funding

The Balance GL column is where income is entered according to accrual account methods to manage resources allocation. CCDR has one, single account for all income and expenditure is monitored using this method.

The percentage of expenditure is assigned according to the objects of the organisation to ensure funding is aligned with our charitable purpose and aligned to contractual agreements for grant expenditure. Additional tracking columns may be added as needed year-to-year.

The country of benefit is entered. Country of benefit is not where the funding is spent, rather where the public recipient of the benefit of that funding is.

At the bottom of the spreadsheet, there is the ability to monitor and reconcile budgeted funds aligned with the objects of the organisation with actual expenditure.

ANNUAL REPORT

A record of the annual financial report is maintained in this spreadsheet. The data is taken from accounts as reported by the accountant or downloaded from accounting software entered by the organisation's accountant.

INVOICE REGISTER ALLOCATIONS

This spreadsheet contains a record of invoices issued and assignment of funding aligned with the objects of the organisation and purpose of the funds received. There is also a percentage of funding per funder in the context of total annual funding. This is then used to monitor income and reconcile budgeted funds aligned with the objects of the organisation with actual expenditure.

CLOUD ACCOUNTS CALCULATIONS

A download of all expenditure and GL allocations and the balance sheet is downloaded from cloud accounting software where cloud software is used. This acts as a true record of cloud software accounts, including local tax allocations, should they not be accessible in the future, for example if there is a change in software or the software company goes out of business.

OBJECT REGISTER

This is a record of the objects of the organisation used to ensure funding is aligned with our charitable purpose

Files

A file will be maintained with all receipts and invoices. These may be maintained chronologically or by vendor

A file will be maintained with a record of all bank statements for the financial year

A file will be maintained with all Paypal income/expenditure where applicable

Annual report register

One single file will be maintained with a record of the annual financial report with data taken from accounts as reported by the accountant or downloaded from accounting software entered by the organisation's accountant. These reflect the accounts as reported and a record of any corrections or adjustments required.

File structure

All archived accounts are located in the EXECUTIVE OFFICE file > GOVERNANCE > FINANCIAL REPORTS

CCDR COUNTRY CODE ACCOUNTS

YYYY CCDR COUNTRY CODE ACCOUNTS

YYYY CCDR COUNTRY CODE BANK STATEMENTS

QN or MONTH CCDR COUNTRY CODE ACCOUNT NUMBER

YYYY CCDR COUNTRY CODE PAYPAL STATEMENTS

YYYY CCDR COUNTRY CODE DONATION TAX RECEIPT TEMPLATE

YYYY CCDR COUNTRY CODE DONATIONS REGISTER

YYYY CCDR COUNTRY CODE PAYPAL STATEMENT

YYYY CCDR COUNTRY CODE RECORD + RECEIPTS + INVOICES

YYYY CCDR COUNTRY CODE FINANCIAL RECORDS

VENDOR FOLDER or MONTH BY MONTH RECEIPTS + INVOICES (INCOME)
ON_VENDOR NAME_DD/MM/YYYY

Public reporting

A public annual report using should be prepared with the following information as a minimum for each jurisdiction in which the organisation is registered:

	LAST YEAR	CURRENT YEAR
Revenue from government, including grants	0.00	0.00
Donations and bequests	0.00	0.00
Revenue from providing goods or services	0.00	0.00
Revenue from investments	0.00	0.00
Other revenue	0.00	0.00
Total revenue	0.00	0.00
Sponsorships and non-government grants	0.00	0.00
Total income	0.00	0.00
Employee expenses	0.00	0.00
Interest expenses	0.00	0.00
Service delivery	0.00	0.00
Total expenses	0.00	0.00
Net surplus/deficit	0.00	0.00
Other comprehensive income	0.00	0.00
Total comprehensive income	0.00	0.00
Total assets	0.00	0.00
Total liabilities	0.00	0.00
Net assets/liabilities	0.00	0.00
Current Year Surplus/Deficit	0.00	0.00
Retained Earnings - Previous year	0.00	0.00

Chief Executive declaration

CCDR COUNTRY (CURRENCY)	
Compensation (Net)	
Travel reimbursements	
Reimbursement for operational cost/subscriptions paid by private account on behalf of CCDR	

Expenditure aligned with charitable purpose

	Object 1	Object 2	Object 3	Object 4
% of budget	nn	nn	nn	nn