



POLICY DOCUMENT

Finance Policy

Organisation: Te Akatoki o Te Whare Wānanga of Waitaha (Māori Students' Association) Incorporated (Te Akatoki)

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Owner: Tumuaki, Te Akatoki

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Purpose of the policy

The purpose of this policy is to ensure that Te Akatoki manages its finances effectively and responsibly, and to provide clarity of roles and responsibilities.

Definitions

“Te Akatoki Executive” and “the Executive” means the officers of Te Akatoki, equivalent to a Board of Directors.

This policy applies to;

- Members of Te Akatoki, including members of the Executive
- Third party service providers and contractors
- UCSA or UC staff seconded to support Te Akatoki

Scope and context

As officers of a registered charity, members of the Te Akatoki Executive are responsible for ensuring that Te Akatoki’s funds and assets are used exclusively to advance the charitable purposes of the organisation. Officers also have obligations under the Incorporate Societies Act 2022 to ensure accurate financial records are kept and to produce compliant financial statements.

Consequently, the management of Te Akatoki’s finances requires good financial management and oversight, the requirements for which are detailed in this policy.

Policy principles

- **Clarity and Certainty:** It is important that all members of Te Akatoki have certainty about the roles and responsibilities associated with managing the finances of Te Akatoki
- **Financial Prudence:** Te Akatoki is committed to exercising careful and thoughtful management of its financial resources, ensuring all expenses are necessary, reasonable, and directly related to its

purpose and objects

- **Compliance with Legal Requirements:** In accordance with New Zealand law, neither members nor officers of a registered charity or incorporated society may gain any pecuniary benefit or advantage from their position: this policy ensures strict adherence to these legal requirements
- **Transparency and Accountability:** All expense claims must be documented and justified with appropriate receipts and explanations, ensuring transparency and accountability in the use of Te Akatoki’s funds
- **Equity and Fairness:** The policy will be applied consistently and fairly to all Te Akatoki members, including members of the Executive, ensuring no individual receives preferential treatment
- **Approval and Oversight:** All travel expenditure must be pre-approved by the Te Akatoki Executive, with regular audits conducted to ensure compliance with this policy
- **Ethical Conduct:** All Te Akatoki members, including members of the Executive are expected to act with integrity and in the best interests of Te Akatoki at all times, with any conflicts of interest disclosed and managed appropriately
- **Regular Review:** The policy will be reviewed periodically to ensure it remains relevant and effective, incorporating any changes in legal or regulatory requirements

Te Akatoki’s commitments to financial management are:

Appropriate use of funds	<p>Te Akatoki receives funding from the University of Canterbury, the University of Canterbury Students Association Incorporated, community and philanthropic providers, students and, from time to time, members of the wider community.</p> <p>Te Akatoki applies these funds solely for the purpose and objects stated in the Te Akatoki constitution, which are detailed in planning documents and budgets.</p>
Accountability	<p>Te Akatoki keeps proper accounts and records of all its transactions and affairs.</p> <p>Te Akatoki’s officers are accountable for operating the organisation in a manner that is</p>

	socially, economically and environmentally sustainable.
Value for Money	<p>Te Akatoki makes prudent decisions in prioritising areas of spend and delivering the best possible outcomes for the expenditures made.</p> <p>Te Akatoki secures goods and services of appropriate quality, on economically favourable terms, and in a timely and efficient manner.</p> <p>Te Akatoki uses resources effectively and without wastage.</p>
Controlled	<p>Te Akatoki has sound internal controls to manage risk and help ensure effective and efficient use of Te Akatoki finances.</p> <p>This includes having clear delegations of authority for the approval of expenditure, having a role responsible for the existence of adequate documentation and records, including GST invoices and receipts, and conducting audits to ensure such controls are in place and adequate.</p>
Lawful and tax compliant	We comply with relevant legal requirements and tax legislation; GST, PAYE, Fringe Benefit Tax, and the Withholding Tax Regulations.

A. Details of the policy

1. Roles and responsibilities

NB The following section outlines the roles and responsibilities associated with this policy. It should not be considered a full and final replacement for the position descriptions of the Te Akatoki Executive or the Kaihāpai, employed by the University of Canterbury Students' Association (UCSA).

a) Role of the Te Akatoki Executive

In their capacity as officers of the society, the Te Akatoki Executive have overall responsibility for the finances and financial management

of Te Akatoki. This means:

- ensuring accountability, security of funds, honesty and integrity, and ultimate accuracy of Te Akatoki's financial statements
- oversight of the performance of the Kaitiaki Putea and Tumuaki in the performance of their duties in respect of financial management and reporting
- Liaising with UCSA regarding the performance of the Kaihāpai
- Approving the annual budget for Te Akatoki as a whole and for programme and project budget lines
- Authorising pending transactions from the Te Akatoki bank account
- Authorising the use of a Te Akatoki purchasing card or debit card by the Kaihāpai, Kaitiaki Putea, Tumuaki, and any other Te Akatoki Executive members as specifically authorised from time to time
- Reviewing the draft annual financial statements before they are submitted for audit
- Approving the final audited accounts
- Assuring the availability of financial information to members and funding partners
- Overseeing required reporting to the Charities Office
- Approving debt recovery by external collection agencies
- Approving external funding applications
- Approving any changes to budgets required by unexpected events or complications
- Ensuring any changes to budgets are communicated to members as part of regular reporting
- Reviewing and reapproving direct debit and automatic payment authorities at the beginning of every financial year

b) Role of the Kaitiaki Putea

The **Kaitiaki Putea** role, which is part of the Te Akatoki Executive, is responsible for:

- Ensuring financial records are properly kept
- Ensuring that Te Akatoki has planned for an annual budgeting process, monthly and quarterly budget reviews
- Leading the annual budgeting process
- Leading the annual audit process
- Supporting the Tumuaki with the financial reporting elements of the Annual Performance Report

- Along with the Kaihapai, preparing an annual budget for the whole of Te Akatoki, and for each programme and project area
- Confirming the terms and engagement of appointment of auditor
- With the Tumuaki, signing the letter of engagement of the auditor
- Liaising with the Auditor on behalf of Te Akatoki
- Ensuring any required adjustments and alterations to the financial reports are made for the finalisation and printing of financial statements as part of the annual report
- Leading the monthly and quarterly budget reviews
- Reviewing monthly financial statements prior to submission to the Te Akatoki Executive for review
- Arranging authorisation of payments by the Te Akatoki executive
- As an account signatory, authorising the release of pending transactions from the Te Akatoki bank account
- Leading the development of a funding application on behalf of Te Akatoki
- Holding read/write access to the FMIS
- Maintain a register of the holders of authority to operate Te Akatoki's bank accounts
- Maintain a register of direct debit and automatic payment authorities against the Te Akatoki bank accounts
- Ensuring that access to the Te Akatoki bank accounts is removed promptly if the Kaihāpai resigns or is suspended, or an Executive member resigns or is suspended or removed by the Te Akatoki Executive
- Ensuring that any new bank accounts opened are promptly linked to the FMIS

c) Role of the Kaihāpai

The **Kaihāpai** role, the holder of which is an employee of the UCSA tasked with providing assistance to Te Akatoki, is responsible for:

- Along with Kaitiaki Putea, preparing an annual budget for the whole of Te Akatoki, and for each programme and project area
- Purchasing goods and services in accordance with the Finance Policy, associated processes and procedures, and within their own approved budget
- Loading accounts payable transactions into the FMIS in preparation for authorisation
- Completing journal entries and accruals for review and approval

- in accordance with this policy
- Creating invoices in the FMIS in accordance with approval documentation
 - Reconciling invoice payments
 - Following up outstanding payments from debtors
 - Receiving and managing expenditure receipts from Te Akatoki members, including Executive members, for pre-authorised expenditure
 - Confirming that goods and services purchased by Te Akatoki have been received and are as expected
 - Holding read/write access to the FMIS

d) Role of the Tumuaki

The Tumuaki role is responsible for:

- As an account signatory, authorising the release of pending transactions from the Te Akatoki bank account
- Co-signing the letter of engagement of the auditor
- Holding read-only access to the Te Akatoki FMIS
- Signing off the annual audited financial statements on behalf of the Te Akatoki Executive

2. Accounting Periods

1. The financial accounting period for Te Akatoki begins on 1 January each calendar year and concludes on 31 December of the same year.

3. Accounting and reporting method

1. The financial accounts for Te Akatoki are prepared on an accrual basis
2. Te Akatoki completes financial reporting in accordance with XRB reporting standards.

4. Tax

1. Te Akatoki is a registered charity and incorporated society and holds an exempt tax status
2. Te Akatoki is registered for Goods and Services Tax (GST)

3. Financial management systems

1. Te Akatoki tracks and monitors its financial transactions and

reports using an appropriate, high-quality financial management information system (FMIS) that complies with Aotearoa New Zealand tax legislation and regulations.

2. Te Akatoki limits access to its FMIS to the Kaihāpai, Kaitiaki Putea and Tumuaki roles to ensure that its financial information is not shared outside of agreed process and policy.
3. All bank accounts are linked to the FMIS “bank feeds” for central visibility, however bank accounts are not connected to Te Akatoki’s FMIS. This means that Te Akatoki’s bank transactions can be seen but accounts cannot be accessed through the FMIS.

5. Record keeping

1. All accounting records, including invoices, are kept for seven years as hardcopy or scanned, and attached within the FMIS as well as Te Akatoki’s central record management system.
2. All hard copies (paper copies) of financial or commercially sensitive information kept by Te Akatoki should be securely locked away. The Kaihāpai, Kaitiaki Putea, and Tumuaki should be the only ones who have access to this information.
3. All expenditure records must be filed alphabetically by supplier’s name.
4. Correspondence relating to sponsorship, grants, donations and any other form of income is filed according to month received.
5. Receipts for all expenditure are retained and filed according to the month the funds were spent.

6. Monthly Financial Statements

1. Monthly cash and accrual accounting procedures will be adhered to by Te Akatoki, to enable the following monthly reports to be produced and reviewed by the Te Akatoki Executive:
 - Statement of Financial Performance (variance report)
 - Statement of Financial Position (balance sheet)
 - Forecast of Cash Position

7. Budget Preparation and Budget Use

1. The Kaitiaki Putea, in consultation with the Tumuaki and Kaihāpai, will prepare a draft budget prior to the start of the budgeted period (usually annually).
2. The Budget is to be prepared on a top-down basis.
3. Subject to Te Akatoki holding cash equivalent to three-months normal operating costs, the budget should aim to achieve break-even.
4. The annual budget is to be approved by the Te Akatoki executive as

soon as practicable at the start of the new Financial Year

5. Executive members and The Kaihāpai are advised of their allocated programme expenditure and other relevant expenditure budgets once the annual budget has been approved by the Executive.

8. Controls and monitoring

1. Te Akatoki has documented processes and procedures to ensure its financial management and administration is completed correctly and consistently.
2. Te Akatoki reviews its processes and procedures at least annually, and as needed.
3. Te Akatoki uses cost centres, detail codes, and/or labels to clearly see how, when, and where its finances are being spent.
4. Te Akatoki uses an annual budget to show members and all interested parties how it will spend Te Akatoki's finances in the coming year, and reports against this budget on a monthly basis.
5. Te Akatoki examines its budget tracking on a quarterly basis, and the Executive is required to authorise any changes required as a result of unexpected events or complications. These changes are communicated to members in Te Akatoki's monthly reporting.
5. The Te Akatoki Executive will review and reapprove any direct debit or automatic payments annually
6. The Kaitiaki Putea will;
 - maintain a register of the holders of the authority to operate the bank accounts
 - ensure access to the Te Akatoki Executive's bank accounts are removed promptly when finance staff change
 - ensure any new bank accounts opened are linked to the FMIS promptly

9. Targeted expenditure

1. Grants or funding that have been earmarked for a particular purpose are tagged to that specific expenditure only.

10. Bank accounts

1. All bank accounts are reconciled.
2. New bank accounts can only be opened following approval from the Te Akatoki Executive
3. Any amendments to bank daily approval limits and / or overnight clearing facilities may only be actioned following approval from the Te Akatoki Executive
4. Signatories for the bank accounts must be approved by the Te

Akatoki Executive

5. All bank accounts have at least two and no more than four authorisers, all of whom must be officers of Te Akatoki.
6. Authorisers take responsibility to review payments carefully and diligently prior to approval.
7. Te Akatoki is permitted to pay recurring invoices and payments by either direct debit or automatic payment. These authorities are to be authorised by two signatories

11. Cash handling

1. Cash is not used by Te Akatoki.
2. All purchases should be made using purchasing cards wherever possible.
3. Where cash is the only acceptable payment option, a prepaid gift card such as "Prezzee"-branded cards, are to be used.
4. Prepaid gift cards, petrol or meal vouchers are to be kept to a minimum and only bought to the value agreed by the Te Akatoki Executive.
5. Prepaid gift cards are treated as cash, and, along with any other vouchers such as petrol or meal vouchers, are securely stored with only the Kaihāpai, Tumuaki or Kaitiaki Putea able to access them.

12. Reconciliations

1. All reconciliations should be prepared on a monthly basis.
2. All outstanding items should be cleared the month following.
3. All reconciliations are to be documented, retained and filed to provide a clear audit trail.

13. Reporting

1. The Kaitiaki Putea, with practical assistance from the Kaitiaki, will provide a monthly financial report to the Te Akatoki Executive.
2. This report will be sent no less than five working days prior to the meeting.

14. Procurement

1. Te Akatoki will only engage in procuring goods or services from suppliers where:
 - There is a specific need for the goods or services offered by suppliers
 - The goods and services and / or the terms of trade offered are not in any way considered unethical or illegal

- There are no conflicts of interest, undisclosed and / or unapproved related party relationships between the supplier and Te Akatoki
2. A minimum of two quotes should be obtained for selection and approval of goods and services with the exception of those items purchased on a purchasing card (e.g. fuel, groceries, garden supplies)
 3. Decisions should not necessarily be based on the best price, but also take other considerations into account, such as quality, timeliness, supplier reputation, ethical production, human rights, environmental impact, terms of trade etc.

15. Purchasing Goods and Services

1. The Kaihāpai may purchase goods using a purchasing card within the expenditure limits agreed by the Te Akatoki Executive as part of the annual budget process.
2. Purchases for services or ongoing supply of goods should be subject to a written contract.
3. Where suppliers of goods and services are registered for Goods and Services Tax (GST), in order for GST to be claimed and refunded, the receipt or invoice for the goods and services (as applicable) must be compliant with the Inland Revenue invoice requirements for GST invoices
4. The costs for services must be presented on an Inland Revenue-compliant invoice
5. The Kaihāpai must confirm that the products and/or services have been received and are as expected before payment is authorised
6. Payment of invoices shall be authorised by the Executive at the next Executive meeting following receipt of the invoice, or through the Approvals application within Microsoft Teams.
 - a. Payment terms must reflect the amount of time it takes to obtain authorisation and payment release by Te Akatoki.
 - b. Authorisation must be included in the meeting minutes or captured in the Approvals application within Microsoft Teams.
7. A copy of the Executive authorisation of payment must be kept on file with the invoice and/or receipt for the purchase of goods and services.
8. Where a payment is to be made to an officer who is also an account signatory, they must not authorise this payment: an alternative signatory must be used.
9. Where a payment is to be paid made to a supplier with whom an

officer has a conflict of interest with, they must not authorise this payment: an alternative signatory must be used.

10. Any automatic payment authorities are to be signed by two account signatories.

16. Koha

1. Te Akatoki pays Koha from time to time. Koha is defined as an unconditional, spontaneous gift (cash, goods or kind) given or received for unsolicited services, as within tikanga Māori. Koha will:
 - be in the form of a prepaid Prezzy card or equivalent
 - be paid to external person(s) or non-profit community groups who provide support, or undertake a one-off activity and expect non-payment for such activity or support in return
 - not be given in lieu of salary, wages, or as a payment for service(s) provided
 - not be given to Executive members, Contractors or Volunteers
2. A Koha Request Form is to be completed by an Executive member and approved by the Executive for an amount of no greater than \$200.

17. Accruals

1. Te Akatoki uses the 'accrual' accounting method in accordance with its obligations under the Charities Act 2005.
2. The Kaihāpai and Kaitiaki Putea will ensure that all accrual adjustments including prepayments, depreciation and income in advance has been accounted for.

18. Journals

1. The Kaihāpai is to be responsible for inputting all journal entries into the FMIS.
2. The journal entries will be clearly narrated, and documentation to support the journal entry will be attached to the entry in the FMIS
3. Journal entries entered by the Kaihāpai will be reviewed by the Kaitiaki Putea and the Tumuaki before monthly financial accounts are finalised.

19. Accounts receivable

1. Te Akatoki may invoice a third party for the provision of services

- including but not limited to cultural practices, language tuition, or consultation
2. The invoice is to be created in the FMIS by the Kaihāpai in accordance with invoicing procedure
 3. Each invoice is reconciled with the payment when received
 4. Te Akatoki does not accept payment in cash or cash-equivalent.
 5. The total invoice amount, excluding any taxes or final charges, must be included in the monthly forecast for Te Akatoki.
 6. Credit Notes will only be issued where there is an appropriate authorised need to decrease the price and or quantity of goods or services invoiced by Te Akatoki
 7. There is a bad debt and a credit note is required to effect the removal of the balance owing from the accounts receivable ledger
 8. Overpaid invoices will only be refunded provided that there are no other outstanding balances
 9. Refunds must be approved by the Te Akatoki Executive.

20. Debt recovery

1. Payments for outstanding debtors should be received by the 20th of the following month unless special arrangements have been agreed to between the Kaitiaki Putea and the debtor.
2. When a payment becomes overdue a statement is sent as a reminder of payment and then followed up by emails and phone calls from the Kaihāpai
3. Outstanding debts should be communicated to the Executive within regular monthly financial reporting.
4. If payment has not been received a reminder should be issued.
5. The Te Akatoki Executive must authorise any third-party debt collection activity before commencement.
6. For any debt outstanding for 12 months the amount should be included as a doubtful debt for that financial year.
7. For any debt outstanding for 12 months and recovery is unlikely the amount should be written off.

21. Assets

1. The Te Akatoki Executive have the responsibility of purchasing any capital items.
2. These items are set out in a budget each year which is approved by the Executive. The purchase of all capital items should come within budget limits.
3. When purchasing significant items three quotes are sought to obtain a competitive price.

4. The Kaitiaki Putea reports on capital expenditure at Executive meetings.
5. An asset register is held by Te Akatoki and maintained by the Kaitiaki Putea, with practical support from the Kaitiaki.
6. Assets of \$1000 (excluding GST) or more are recorded.
7. Any capital purchases less than \$500 (excluding GST) are recorded as operating expenses.
8. Asset register details should include:
 - Date of Purchase
 - Supplier
 - Cost
 - Asset Number
 - Guarantee Details
 - Description of Asset
 - Situation/placement within premises used by Te Akatoki
9. Any additions, deletions or alterations should be recorded in the asset register.
10. Any changes in the location of the assets should be recorded in the register.
11. The Asset Register should be reviewed at the end of each financial year to ensure that all major fixed assets are accounted for.

22. Depreciation of Assets

1. Assets are depreciated on a Diminishing Value. This means the Asset is depreciated by the same percentage (and therefore the depreciation deduction decreases every year).
2. Depreciation will be at the rates prescribed by Inland Revenue.

23. Disposal of Assets

1. Capital items for disposal must first be approved by the Te Akatoki Executive.
2. The Kaitiaki Putea is responsible for the disposal of capital items.
3. After Executive approval, the items may be offered to volunteers or other community groups in an 'as is where is' state at reasonable, book, or current market value rates.
4. An invoice must be prepared for any payments associated with the disposal of assets.

24. Transparency

1. A monthly financial report is presented to the Executive for approval by the Kaitiaki Putea at Executive meetings, and this is published on the Te Akatoki website within three working days

- of its acceptance by the Executive.
2. Audited annual accounts are made available to all members at the same time as notice is given of the Annual General Meeting.
 3. Any current member of Te Akatoki or any organisation providing funding to Te Akatoki may ask for a copy of the finalised monthly accounts at any time, by requesting this in writing to the Kaihāpai.

25. Related Party Transactions

1. A related party transaction is a transfer of money, goods or services between Te Akatoki and those who are closely associated and have the ability to influence the organisation.
2. To ensure complete transparency it is important that any Related Party Transactions are approved by the Te Akatoki Executive, recorded in the meeting minutes and reported in the annual Performance Report
3. The annual Performance Report should also show the level of contribution and support that Te Akatoki receives from related parties through donated and discounted goods or services.

The focus should be on the separate reporting of transactions that are:

- significant to **name of organisation**, or
- outside the normal day-to-day operations of **name of organisation**, or outside the normal day-to-day role of members of the governing group.

Any Related Party transactions are reported in **name of organisation's** annual Performance Report (see AGM)

26. Audit

1. As a registered charity, Te Akatoki will have its accounts audited by a suitably registered Auditor. The Kaitiaki Putea is responsible for overseeing this, with coordination being the responsibility of the Kaihāpai.
2. Te Akatoki's year-end (balance date) is 31 December of each year. The audit of the financial statements should be completed within five months of year end.
3. All final year end entries are to be completed in full before being submitted for audit, including any adjustments have been made to ensure the financial statements comply with the Incorporated Societies Act, Charities Act, and Financial Reporting Act
4. A comparison of the current year's balances with the previous

- year's should be made to detect any obvious erroneous trends.
5. A work paper file in support of the draft financial statements will be prepared by the Kaitiaki Putea
 6. The Kaitiaki Putea will present the annual financial statements to the Te Akatoki Executive to seek their approval of the draft accounts, subject to any audit adjustments.
 7. The Executive s will submit the annual audited accounts to the Association's members at the Annual General Meeting.

Related documents

- Te Akatoki Constitution
- Te Akatoki Code of Conduct
- Te Akatoki Governance Charter
- Te Akatoki Executive Charter
- Te Akatoki Finance Process and Procedure Documents
- Charities Annual Report Template
- Te Akatoki - Expense Approval and Reimbursement Policy
- Te Akatoki Honorarium Policy
- Te Akatoki Annual Plan and Programme of Work
- Te Akatoki Annual Reporting Schedule

Review of policy

This policy is due for review in August 2025.