



EXPENSE AND PROCUREMENT POLICY

Best Practise – Quality Area 7

PURPOSE

This policy will provide clear guidelines for:

- agreeing kindergarten expenses and the delegation of authorities to incur expenses on behalf of Nagle Pre-School
- the approval processes and thresholds by expense type
- the preferred payment methods for expenses
- procuring goods and services on behalf of Nagle Pre-School

POLICY STATEMENT

1. Budgeted expenses

The Committee of Management will approve the incurring of budgeted expenses for each financial year, broken down by expense categories and the forecast expense amount. It will be prepared by a sub-committee chaired by the treasurer and comprising the President, the Finance Officer, the Administration Officer and any other person as approved by the sub-committee. The sub-committee will also consult with staff during this process.

The procurement of budgeted expenses will be in accordance with section 7 of this policy and paid in accordance with section 6. Where a budgeted expense is for an identifiable good or service, for example utilities, cleaning or a software license expenses, no further approvals are required once the Committee of Management has approved the budget. The Committee of Management will approve general budgeted expenditure requests, capital expenditure requests and non-budgeted items as required at committee meetings. Expenditure requests may be made by committee members and permanent staff members.

Note: Staff salaries and superannuation, as committed expenses subject to each staff member's contract of employment, will be forecast within the approved budget but are outside of the scope of this policy. Furthermore, arranging internal or external relief staff to cover unplanned absences is not considered a procurement activity and is also outside of the scope of this policy. Staffing expenses will be processed by the Finance Officer through the designated payroll system (or invoicing where a third-party staffing provider is used) with monthly monitoring performed by the Treasurer. The Committee of Management will review permanent and relief staff expenditure as part of its general oversight of budgeted expenses and the overall operation of Nagle Pre-School, and make decisions on staffing expenditure as needed.

2. Delegated authorities

Where not automatically approved under section 1 of this policy, the Committee of Management delegates its authority to incur and/or approve expenditure on behalf of Nagle Pre-School according to the terms below. Some or all of the delegated authorities may be revoked where the Committee of Management reasonably believes the actual full year expenses will exceed the approved budgeted amount, or in circumstances where forecast revenue is expected to be insufficient to cover expenses.

a. Staff Controlled Expenses

Permanent staff members are authorised to purchase items listed in Attachment 1 necessary for the day-to-day running of Nagle Pre-School in line with the expense approval limits and co-sign off requirements in section 4. The Nominated Supervisor will have overall responsibility for ensuring



expenditure for the categories listed under the heading “Staff-Controlled Expenses” do not exceed the approved budget for those categories. The Committee of Management may update Attachment 1 from time to time.

b. New or Replacement Contracted Expenses

Contracted Expenses refers to recurring expenditure including but not limited to: utilities, cleaning, gardening, subscriptions, bookkeeping, registrations and insurance. It is generally expected that entering into new or replacement Contracted Expenses will be subject to the procurement arrangements listed in section 7 and approved by the Committee of Management. This delegated authority should only be exercised by exception where approval is demonstrably needed before the next scheduled committee meeting. Permitted circumstances include where a material (and genuine) saving is available by purchasing prior to the next scheduled committee meeting.

The President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve and/or purchase new or replacement Contracted Expenses necessary for the day-to-day running of Nagle Pre-School in line with the expense approval limits and co-sign off requirements in section 4.

c. General Budgeted Expenses

General Budgeted Expenses refers to all items in Attachment 1 as well as expected purchases including but not limited to:

- supplies for committee events, social events and fund-raising activities (food/drink, cutlery, venue hire, entertainers, decorations etc.)
- clothing purchases,
- relaxation mats (or equivalent),
- Non-compulsory staff training and professional development activities and associated materials, in consultation with staff and the committee generally.

The President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve and/or purchase General Budgeted Expenses necessary for the day-to-day running of Nagle Pre-School in line with the expense approval limits and co-sign off requirements in section 3.

d. Capital Expenditure

It is generally expected that new or replacement capital expenditure will be subject to the procurement arrangements listed in section 7 and approved by the Committee of Management. This delegated authority should only be exercised by exception where approval is demonstrably needed before the next scheduled committee meeting. Permitted circumstances include where a material (and genuine) saving is available by purchasing prior to the next scheduled committee meeting.

The President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve and/or purchase new or replacement capital expenditure necessary for the day-to-day running of Nagle Pre-School in line with the expense approval limits and co-sign off requirements in section 4.

e. Grant Expenditure

This delegated authority is at all times subject to the terms and conditions of the relevant grant approval.

Permanent staff, the President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve and/or purchase items relating to a grant in line with the expense approval limits and co-sign off requirements in section 4.



f. Additional Salary / Overtime Expenses

It is generally expected that approval for additional staff hours beyond contracted hours will be approved by the Committee of Management. This delegated authority should only be exercised by exception where approval is demonstrably needed before the next scheduled committee meeting.

The President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve additional hours or overtime for staff in line with the expense approval limits and co-sign off requirements in section 3.

g. Non-Budgeted Items

Non-Budgeted Items refer to capital and operating expenses that were not included in the approved budget, or where the expense materially exceeds the budgeted allocation. Non-essential Non-Budgeted Items must be approved by the Committee of Management. This delegated authority can only be exercised in circumstances where the immediate expenditure is required for Nagle Pre-School to continue operating. Examples include emergency repairs, health and safety issues that prevent the kindergarten from opening or government directions.

The President and the Treasurer (or, where one or both are unavailable, the Vice President and the Secretary) are authorised to approve and/or purchase Non-Budgeted Items necessary for the continued operation of Nagle Pre-School in line with the expense approval limits and co-sign off requirements in section 3.

3. NON-DELEGATED EXPENSES

The Committee of Management does not delegate to any person authority for the following items:

- Bad debt write-offs
- Fee waivers
- Gifts

4. EXPENDITURE APPROVAL AND LIMITS

The following table lists the limits and approval requirement for expense categories by each delegated authority group. Where an expenditure exceeds the maximum delegated authority, it must be approved by the Committee of Management. For the purposes of this table:

Group A: Comprises the President and the Treasurer, or where one or both are unavailable, either the Vice President or the Secretary.

Group B: Comprises the Nominated Supervisor, the Education Leader and the Administration Officer.

Group C: Comprises all permanent staff not listed in Group B.

Category	Expenditure Amount	Group A	Group B	Group C	Approval Requirements
Staff Controlled Expenses	0 to \$250	Y	Y	Y	Sole
	\$250.01 to \$500	Y	Y		Sole
	\$500.01 to \$1000	Y	Y		Two Approvers
	\$1000.01 to \$2000	Y			Three Executive Committee
New or Replacement	0 to \$500	Y			Sole
	\$500.01 to \$1000	Y			Two Approvers



Contracted Expenses*	\$1000.01 to \$2000	Y			Three Executive Committee
General Budgeted Expenses	0 to \$500	Y			Sole
	\$500.01 to \$1000	Y			Two Approvers
	\$1000.01 to \$2000	Y			Three Executive Committee
Capital Expenditure	0 to \$500	Y			Sole
	\$500.01 to \$1000	Y			Two Approvers, one must be Group A
	\$1000.01 to \$2000	Y			Three Executive Committee
Grant Expenditure	0 to \$250	Y	Y	Y	Sole
	\$250.01 to \$500	Y	Y		Sole
	\$500.01 to \$1000	Y	Y		Two Approvers, one must be Group A
	\$1000.01 to \$2000	Y			Three Executive Committee
Additional Salary / Overtime Expenses	\$0 to \$500	Y			Sole
	\$500.01 to \$1000	Y			Two Approvers, one must be Group A
	\$1000.01 to \$2000	Y			Three Executive Committee
Non-Budgeted Items	0 to \$500	Y			Sole
	\$500.01 to \$1000	Y			Two Approvers
	\$1000.01 to \$5000	Y			Three Executive Committee

*Amounts refer to the minimum committed amount that must be paid upon entering into a contract.

For the purposes of this table, expenditure amount means the total cost for the particular expenditure item, which may be more than one item or invoice. Examples of 'expenditure items' follow:

- A new computer also involving the separate purchase of a monitor and keyboard/mouse would all be considered one expenditure item, even if purchased from different stores or at different times.
- A bulk-order of kinder supplies covering multiple categories such as art supplies, books and toys would each be considered separate expenditure items even if they are included on the same invoice.
- Placing multiple orders within a short period for the same kinder supply category would be considered one expenditure item.

The above examples necessarily require some judgement to be made regarding what constitutes an 'expenditure item' and the Committee of Management expects delegated authority holders to avoid actions that deliberately circumvent the approval requirements, including but not limited to unnecessarily splitting purchases into separate items or invoices. The Committee of Management reserves the right to revoke a delegated authority if it reasonably believes that such activities are occurring.

Where more than one approver is required, written evidence of co-approval is required, which may include an email from the co-approvers' Nagle email account.



5. EXPENSE TRACKING AND MONITORING

Any expenditure incurred by Nagle Pre-School must be accompanied by a tax invoice (or other payment receipt where GST is not payable). All tax invoices and receipts must be promptly provided to the Finance Officer either electronically or the actual tax invoice or receipt placed in the Finance Officer's folder held at the kindergarten.

In order to assist the Committee of Management's oversight of expenditure by delegated authority holders and the kindergarten generally, the Finance Officer, overseen by the Treasurer, will prepare monthly financial reports for tabling at each committee meeting that will include year-to-date spend for each expense line item and pro-rata tracking to the annual budget allocation. The Treasurer will present the monthly financial report at each committee meeting with the Finance Officer attending quarterly and otherwise available to the Committee of Management to answer questions.

6. PAYMENT PROCESSES AND METHODS

Where available, the required method for paying approved expenses is via an invoice addressed to the Nagle Pre-School. Where an invoice is not possible, holders of a Nagle Pre-School debit card should use this card and retain the tax invoice.

Where neither payment method is available, the kindergarten will reimburse the person who has paid the approved expense, which may be a committee member, a staff member or a parent. For the avoidance of doubt, Nagle Pre-School will only reimburse expenses that had received the prior written approval of the Committee of Management or were procured by, or with the approval of, a valid delegated authority. Any person requiring reimbursement must complete the reimbursement claim form with supporting tax invoices.

The Finance Officer has primary responsibility for processing expenses approved in accordance with this policy with the Administration Officer the alternate contact. On occasion, the Treasurer may process expenses subject to the following protocols.

All invoices and reimbursements must be processed through the kindergarten's internet banking system. Cash payments are only allowed where it is not possible to pay the expense via internet banking and must have the Treasurer's approval.

All payments require two approvals to be released. The Finance Officer (or the Administration Officer as alternate) will, upon consulting with this policy to ensure compliance and receipt of a tax invoice, lodge the payment as the first approver. The Treasurer, or the President as an alternate, will co-approve after reviewing this policy and the tax invoice for compliance. Where the Treasurer or President is unable to approve (due to an inability to log on or other reason), the Administration Officer may co-approve upon emailed authorisation from either the Treasurer or President.

On occasion, where a delegated authority (generally the Treasurer) has lodged an expense payment as the first approver, the Finance Officer or Administration Officer as alternate is entitled to be the second approver upon consulting this policy and the tax invoice for compliance.

Restrictions on Self-Reimbursement

A delegated authority with the ability to approve payments must not be the second approver to a reimbursement for their own expenditure, however they are entitled to lodge a reimbursement as the first approver. Furthermore, as an additional control, where the first approver to a self-reimbursement is a Group A delegated authority, the second approver (expected to be the Finance Officer or Administration Officer) must obtain emailed or other written confirmation from a different Group A delegated authority approving the reimbursement.



7. GENERAL PROCUREMENT ARRANGEMENTS

Objectives

The Committee of Management should regularly review the suppliers of goods and services to Nagle Pre-School to ensure value for money is being achieved and compliance with all Nagle policies and philosophies. For the avoidance of doubt, value for money does not necessarily mean the lowest cost supplier.

Procurement Guidelines

The following applies guidelines should be used when reviewing existing suppliers or seeking new suppliers. The guidelines are intended to apply for Contracted Expenses and Capital Expenditure, however can be applied to other expense categories where appropriate. It is not expected Staff Controlled Expenses follow these guidelines:

- Obtain three quotes for the goods or services. This is not a mandatory requirement; however the Committee of Management should be satisfied it has taken appropriate steps to meet the objectives of this policy. Examples include trial periods and referee checks.
- Identify and manage any conflicts of interest between the supplier and Nagle Pre-School. This may include where a committee member is employed by or has a financial interest in the supplier. Any conflicted committee members should be excluded from the decision-making process.

AUTHORISATION

The policy was adopted by the Approved Provider of Nagle Pre-School on 13th October 2020

REVIEW DATE: 13TH OCTOBER 2022



ATTACHMENT 1: Staff Delegated Authority Expenses

Staff Controlled Expenses

- **Kinder Supplies**
 - Art supplies
 - General kitchen items (chemicals/cleaning products, milk, tea/coffee, biscuits)
 - First Aid items
 - Minor maintenance items (nails, hooks etc.)
 - Toys & books
 - Sunscreen
 - Cooking/Baking ingredients and supplies
 - Children's Books
 - Vegetable garden supplies

- **Excursions and Incursions**
 - Excursion – Bus and activity costs
 - Incursions

- **Music Program**
 - Music classes

Other Approved Expense Categories

- **Printing Postage Stationery**
 - Office stationery (paper, stamps, laminating etc.)
 - Printer ink

- **Various other approved expenses**
 - Advertising
 - Working Bee (general maintenance items, sand, tan bark/mulch)
 - ELAA resources and materials
 - Mandatory Education Department materials
 - Open Day materials
 - AGM materials