

# TE TIRA AHU PAE



## HEI HĀPAI WHAKAMANA

### Finance Policy Manual

**RATIFIED**

**Amendments approved 02 December 2025**

(1)

**17.04.23 Motion #4: The Board moves to ratify the Finance Policy Manual.**  
**Dates amendments were ratified: 24.10.23 (Motion #3.1), 15.12.23 (Motion #6), 31.05.24 (Motion #9),**  
**12.12.24(Motion#3.6), 02.12.25 (Motion #2.4), 12.12.25 (Motion #2.1)**

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## **Introduction**

This finance manual was developed to ensure consistency, accountability, and transparency in the operations of Te Tira Ahu Pae

The Finance Manual details the procedures involved to achieve **financial sustainability through the provision of plans and policy.**

<b>Outcome</b>	<b>Strategy</b>
Budgeting and Cashflow is managed	<ul style="list-style-type: none"><li>• GM manages budgeting and cash-flow</li><li>• Monthly and annual budgets are prepared</li><li>• Monthly financial reports prepared</li><li>• Annual budget approved by Board and reviewed monthly by GM.</li><li>• External auditor appointed-ensure annual audit and annual report are completed within 5 months of year end.</li></ul>
Appropriate financial policies and procedures are in place.	<ul style="list-style-type: none"><li>• Updated and reviewed regularly by the Board.</li><li>• Staff are trained and informed on accounting policies and procedures, reporting requirements, guidelines for expenditure control and approved authority for financial transactions.</li><li>• Standard accounting procedures are used.</li><li>• Monthly accounts are produced.</li><li>• Annual accounts are produced.</li><li>• Ensure sufficient cash reserves are held to cover three months operating expenses.</li></ul>

This policy also applies to Massey University Students' Association at Palmerston North (MUSA).

This manual is intended to be a living document and will need to be monitored and amended over time to ensure its relevance to Te Tira Ahu Pae Inc and MUSA.

This manual is reviewed and updated if appropriate by GM assisted by Finance Manager (FM), on behalf of the board. This manual is also part of the induction for all new GMs to ensure they are informed and understand matters of accounting policy and procedures and guidelines for expenditure control and approval authority for financial transactions.

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**Finance Staff**

The day-to-day running of the accounts is handled by the Finance Manager and the Finance Administrator in conjunction with the GM.

Two (2) signatories are required to authorise all transactions and payments, including those made online.

The following users and access rights apply to Te Tira Ahu Pae Incorporated and Massey University Students' Association Palmerston North Incorporated online banking.

Finance Manager: [full admin & authorisation rights]

General Manager: [full admin & authorisation rights]

Finance Administrator: [full admin & authorisation rights]

Interim access right granted to Advocacy and Operations Manager (for backup to ensure ongoing access to bank accounts)

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Month End financial reports are prepared for the GM by the FM, and then circulated to finance subcommittee by email. GM and finance subcommittee to discuss any issues arising from the accounts at the finance subcommittee meeting held one week before the board meeting.

Financial reports for the prior month and any other accounting matters raised by the finance subcommittee are presented to the board by the GM for discussion and approval during monthly board meeting.

## **Data Security**

### **a) Computer System**

As part of the overall IT policy the accounts package used is Xero.

Access to the accounting software will be granted as follows:

<b>Position</b>	<b>Access Level</b>
General Manager	Full Access
Finance Manager	Full Access
Finance Administrator	Full Access
Clubs' and Events Manager	Approve leave
Advocacy and Operations Manager	Approve leave
HR Manager	Approve leave
Radio Control Manager	Approve leave
Shop Manager	Approve leave

Password protection and multi-factor identification is used.

### **b) Hard copies of financial information**

All confidential information or financially sensitive information kept at the Association should be securely locked away. The GM, the Finance Manager and the Finance Administrator should be the only people who have access to this information.

### **c) Cash on Premises**

Te Tira Ahu Pae should not have any cash held on premises, if any cash is received it must be banked immediately.

MUSA Shop - Any cash that is held on the premises shall be kept in a locked box and stored in a locked filing cabinet.

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**Reporting**

<b>Responsibility</b>	<b>Roles</b>
Finance Manager	<ul style="list-style-type: none"> <li>• Recommend to GM , policies and procedures which could be effective within the Association.</li> <li>• Recommend improvements in day-to-day accounting systems.</li> <li>• Liaise with GM in the preparation of the annual budget.</li> <li>• Ensure financial record keeping is in accordance with accepted accounting practice.</li> <li>• Monitor the financial performance, position and cashflows of the Association.</li> <li>• Ensure the accurate and timely preparation of the Associations Annual Financial Reports.</li> <li>• Ensure the compliance with any points raised in the Auditor's Management Letter.</li> </ul>
GM	<ul style="list-style-type: none"> <li>• Prepare draft Financial Policies and Procedures for approval by the Board.</li> <li>• Report to Finance sub-committee and General Board on the Association's compliance with the policies and procedures. Monitor any actions required for compliance.</li> <li>• Preparation of annual Budget and presentation to the Board for approval.</li> <li>• Present monthly accounts to Finance subcommittee with an explanation of budget variances. Monitor any action required.</li> <li>• Ensure timely preparation of financial reports, which consist of a consolidated profit and loss statement/balance sheet/ with commentary.</li> <li>• Report to the Board on material budget variances. Any variance greater than 20% requires a note of explanation.</li> <li>•</li> </ul>
Board Members and Finance Sub-Committee	<ul style="list-style-type: none"> <li>• Authorise financial policies and procedures which comply with legislative requirements.</li> <li>• Ensure accountability, security of funds, honesty and integrity and ultimately accuracy of the financial statements.</li> <li>• Monitor the Association's compliance with the approved policies and procedures.</li> <li>• Ensure the timely preparation and authorisation of an attainable annual budget.</li> <li>• The budget must ensure that the Association complies with legislative requirements and can be deemed to be a "going concern".</li> <li>• Approval of annual budget for the Associations.</li> <li>• Monitor monthly and year to date actual vs budget profit and loss financial report.</li> <li>• Sign Audit Representation Letters and Finalised Annual Reports.</li> <li>• Ensure the compliance with any points raised in the Auditor's Management Letter.</li> <li>• Ensure the establishment and monitoring of internal controls (i.e., financial procedures)</li> </ul>

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	<ul style="list-style-type: none"><li>• Approve the delegation of authority to collect, commit and disburse Association funds.</li><li>• Review and approval of strategic plans or other long-term plans for the Association.</li></ul>
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**Audit of Annual Accounts**

<b>Responsibility</b>	<b>Roles</b>
GM/Finance Manager	<ul style="list-style-type: none"><li>• Annual Accounts preparation</li><li>• Preparation for audit</li><li>• Authorisation of Audit Engagement Letter</li><li>• Liaising with auditors during audit process</li><li>• Finalisation of Annual Accounts</li><li>• Major Issues</li><li>• An internal audit will be conducted annually by the Finance Manager and an external auditor to ensure that TTAP's financial policies are being adhered to and that no discrepancies or inefficiencies exist in financial operations.</li></ul>
Board Members	<ul style="list-style-type: none"><li>• Ratification of Annual Accounts for and at Annual General Meeting</li><li>• Sign Representation Letters pre-audit and Finalised Annual Reports.</li><li>• Auditor Appointment (at General Meeting)</li></ul>

*Auditing of Accounts*

The Association's year-end is 31 December each year. The audit of the financial statements should be completed within five months of year end to be taken to the Annual General Meeting.

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## **Financial Delegations**

### **Policy**

- The delegations are all subject to the overriding constraint that the Board Members are required to approve the annual budget.
- The expenditure approval process must be adhered to, to ensure the appropriate delegate is responsible for each expenditure item.

### **Explanations**

This section has been designed to provide an explanation as to why the specific delegations above have been suggested.

The philosophy underlying the actual delegation levels set has been to balance Te Tira Ahu Pae Board Members desire for transaction level control against the GM's need to be able to make decisions and act on those decisions without having reference to the Board Members for day-to-day operational spending.

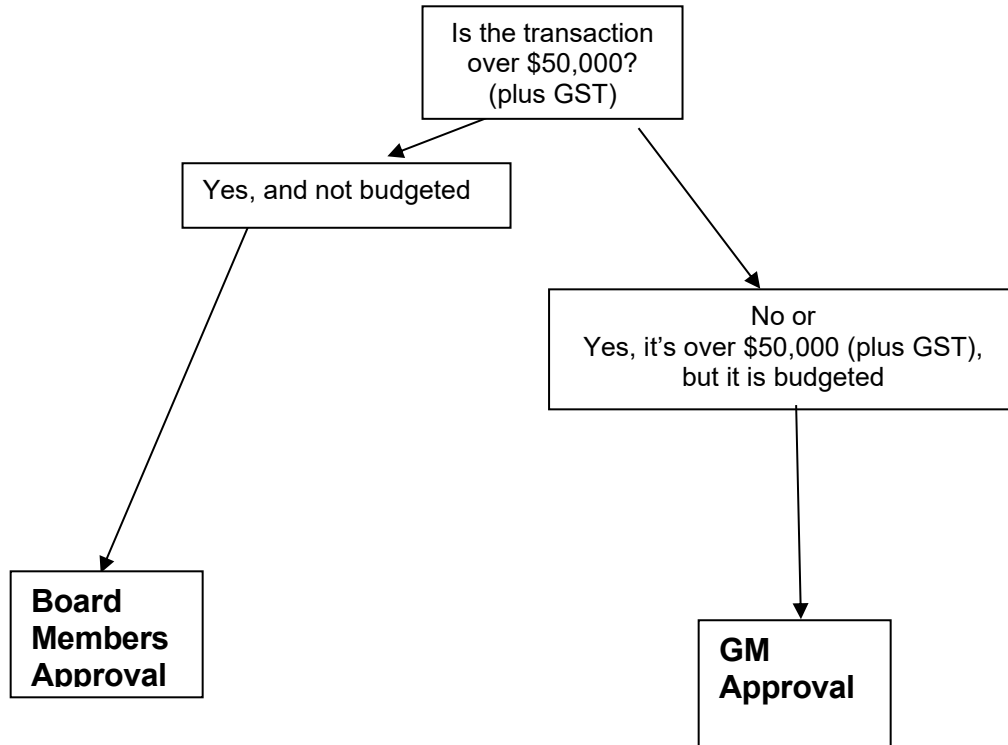
The relative significance of each transaction stream has been considered in terms of:

- Dollars
- Whether it directly impacts an operational aspects of the Association
- Reputation
- Public interest.

The section below provides an explanation for the delegations and the judgements made in setting levels of authority.

The levels established in the delegations for particular transaction types have been selected so that routine costs can be approved by the person responsible for incurring the cost. Only where the cost is unusual due to its size or nature, or where the type of expenditure could present a risk to Te Tira Ahu Pae, its Board Members or GM from a reputation perspective, is the Board Members required to approve the cost.

**Operating & Capital Expenditure Approval Process**



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**Financial Delegations - Table of Financial Delegations per Expenditure Category**

<b>Salaries / Wages</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
Establishment of a new position other than GM	GM	GM should approve employment of all new staff, and sign employment contract on behalf of the Association. Permanent employees/Contractors/Student Reps payroll are paid by direct credit. New personnel must complete and sign Employee Detail form and IR330/IR330C. No salary/wages in advance. No cash payment to any personnel.
Replacement of existing position other than GM	GM	
Dis-establishment of a position other than GM	GM	
Replacement/establishment of GM	Board	
CPI and remuneration adjustment	GM within budget	Any changes to employee salary rates require written confirmation by GM.
Training	GM within budget	

<b>Annual Report and Audit Fee</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
Annual Report and Audit Fee	GM	The appointment of auditor and accounting firm to generate Annual Report is agreed in an annual engagement letter issue to GM.

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Types of Expenditure	Authority By Position and \$ Levels	Commentary
Operating and capital expenditure ( <b>within</b> budget)	GM	The annual budget which is approved by Board Members has amounts allocated for operating expenditure that is delegated to GM to spend accordingly. Refer to 'Operating & Capital Expenditure Approval Process' in previous page. GM may delegate spending within budget to departmental managers.
Operating and capital expenditure (Non-MUSA Properties related) ( <b>not</b> in budget)	GM if < \$50,000 plus GST Board if > \$50,000 plus GST	All capital expenditure purchases should be reported to board.
Capital expenditure (MUSA Properties) (within budget)	GM	The annual budget which is approved by Board Members has amounts allocated for capital expenditure that is delegated to GM to spend accordingly.

Travel	Authority By Position and \$ Levels	Commentary
Domestic	GM within budget	Refer to most up to date Te Tira Ahu Pae Travel Policy for Staff and Student Reps. It contains information about cost per meal, and Per Diem payments, accommodation and travel booking.
International	GM	All international travel is prohibited, unless it is organised and paid for personally or has received approval from the GM.

Insurance	Authority By Position and \$ Levels	Commentary
Type and extent of cover	GM	Type and extent of cover should be determined by Finance subcommittee's recommendation to Board members.
Selection of underwriter	GM	Should be based upon competitive tender process, or through broker.
Payment of invoice	GM	Annual premium payment should be routine

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<b>External Contractors</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
Legal	Board	Contractors may be used to provide specific expertise. The cost of each engagement is variable depending on the nature of the work and length of assignment. Board Members should be involved in the selection process.
Financial	Board	
Human Resources	GM within budget Board if unbudgeted	

<b>Entertainment</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
All entertainment expenses	GM within budget	All entertainment expenses must be preapproved by GM.

<b>Investment</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
All investment (e.g. Term Deposits)	Board	GM will manage the amount and term of investment with a view to optimum cashflow and revenue generate from interest

<b>Doubtful Debts</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
Debtor write-offs/Issue credit notes	GM/Finance Manager	All write -off from debt is approved by GM and must be reported to the board.

<b>Bank Accounts</b>	<b>Authority By Position and \$ Levels</b>	<b>Commentary</b>
Ability to open and close bank account for Te Tira Ahu Pae and MUSA	Two authorised signatories	Opening and closing of bank accounts must be reported to the board.

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Leave Requests	Authority By Position and \$ Levels	Commentary
Employees	Designated Line Managers with 'Leave Approval' authority	General leave request must go through XeroMe. Parental Leave or any requests where leave is not available must go through GM.
GM	Chairperson of Board	

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**Banking**

**Policy**

To ensure that any cash paid to Te Tira Ahu Pae is deposited into the bank account, and payments from the bank account are controlled and correctly recorded in the general ledger.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
All payments from the bank account (except by debit or credit card) require two signatories to be released.	2 signatories
All receipts (cash, excluding MUSA Shop) must be banked into the main cheque account within 5 working days of having been received.	GM, Finance Manager or Finance Administrator
All receipts from MUSA Shop should be banked every fortnight and the last working day of the calendar month.	MUSA Shop Manager
All receipts (cash) will be stored in a locked drawer until they are deposited with the bank.	GM, Finance Manager or Finance Administrator, MUSA Shop Manager
All documentation received with receipts should be filed with reference to the date of banking.	GM, Finance Manager or Finance Administrator, MUSA Shop Manager
Reconciliation of bank accounts is completed prior to preparation of the monthly accounts	GM, Finance Manager or Finance Administrator



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**Purchasing Goods and Services**

**Policy**

To ensure all goods and services ordered on behalf of Te Tira Ahu Pae are properly authorised.

If staff fail to follow this procedure, then Te Tira Ahu Pae is deemed not responsible for the purchase.

Payment for goods and services should be supported by invoice. Invoices must have Te Tira Ahu Pae or MUSA as the company name.

**Procedure**

<b>Procedure</b>	<b>Responsibility</b>
A minimum of two quotes should be obtained for selection and approval (where applicable)	GM
Association to establish list of preferred suppliers	GM (Finance Manger to maintain)
Purchases of services or ongoing supply of goods should be subject to a written contract.	GM
Only the appropriate delegated authority can authorise purchases.	All
Once approval has been confirmed payment procedures must be followed.	GM
Check that the product arrives at Te Tira Ahu Pae and is as requested.	Managers

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## **Supplier Invoice Payments**

### **Policy**

To ensure that all invoices for goods and services are:

- Paid by the due date.
- Authorised payments i.e. approved & budgeted.
- Supported by documentary evidence.

### **Procedures**

Only the appropriate Delegated Authority can authorise spending. A staff member who requests spending/who initiated the expense must sign off the invoice and return the invoice to the Delegated Authority.

The Finance Manager prepares a list of payees for payment and administers the online payment. Two bank signatories may release the payment online.

<b>Procedure</b>	<b>Responsibility</b>
All invoices requiring payment should be sent to the Finance Manager after authorisation.  <i>Payment will only be made on invoice. Where supplier statements are received, these statements should be reconciled to invoices received.</i>	All staff
All invoices must be promptly entered into Xero. The invoice should also be attached to the transaction.	Finance Manager / Finance Administrator
Where possible payments will be processed via 20 <sup>th</sup> batch payment. <u>Exceptions:</u> <ul style="list-style-type: none"><li>• Bi-weekly payment for hardships and club reimbursement</li><li>• Weekly MUSA payment for suppliers</li><li>• Weekly adhoc payment that has due date before 20<sup>th</sup> of current month</li></ul>	Finance Manager / Finance Administrator
Account will be coded in Xero as per the delegated Managers instruction.	Finance Manager / Finance Administrator
Documentary evidence to be uploaded to Xero to support payments.	Finance Manager / Finance Administrator

## **Sale Invoices**

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**Policy**

To ensure that all debtors are accounted for.

**Procedure**

<b>Procedure</b>	<b>Responsibility</b>
Sales invoices are computer generated in Xero.	Finance Manager / Finance Administrator
All credit notes issued must be authorised by the GM.	GM / Finance Manager
Advertising contract must be accompanied with Sale invoices.	Design & Communication/Event Manager/Massive Editor

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**Debt Recovery**

**Policy**

Recover as much outstanding debt in a fair and equitable way, while preparing for the event of unrecoverable debt.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Payments for outstanding debtors should be received by the 20 <sup>th</sup> of the following month unless special arrangements have been agreed to between the Finance Manager and the debtor.	Finance Manager / Finance Administrator
If payment has not been received a reminder should be issued.	Finance Manager / Finance Administrator
For any debt outstanding for 12 months the amount should be included as a doubtful debt for that financial year.	GM /Finance Manager
For any debt outstanding for 12 months and recovery is unlikely the amount should be written off.	Finance Manager

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## **Expense Reimbursement**

### **Policy**

To ensure that all expense claims are approved and paid correctly.

All reasonable efforts should be made to avoid the situation that personal reimbursements are required.

Expense claims may be submitted for reimbursement of pre-approved expenditure incurred on behalf of the Associations.

Expense claims, including proof of payment, receipts, bank transactions, must be sent to the budget holder for authorisation, noting that a claimant may not authorise their own expense claim.

In all cases, approval for expense claims should be given by a more senior person ("one-up" principle) than the submitting employee or officer. Where no more senior positions exist, there must not be a reciprocal arrangement for approving sensitive expenditure (i.e., a person approving expenditure having their own expenditure approved by the person whose expenditure they are approving). In such a case, three people are required (A approves B; B approves C; C approves A).

For Te Tira Ahu Pae, the following approval chains are required:

<b>Expense Claimant</b>	<b>Approver</b>
Student Representatives	Representation Manager
Staff	Budget holder / GM
GM	Chairperson
Chairperson	GM

### **Procedures**

<b>Procedure</b>	<b>Responsibility</b>
<b>Request Submission:</b> In an event where a staff or contractor incurs work-related expenses using personal funds, they must obtain a receipt or invoice or proof of payment (e.g. bank statement for koha only) and prepare a brief description of the transaction. For mileage reimbursement requests, staff must provide a screenshot of the total distance travelled in kilometres by inputting the starting and ending points into Google Maps.	Claimant
<b>Approval Requests:</b> Claimant to submit their reimbursement request by emailing their Department Manager with the following information: <ul style="list-style-type: none"><li>• A description of the transaction expense.</li><li>• An attachment of the receipt or proof of payment.</li></ul>	Claimant Line Manager & Budget Holder
<b>Processing Reimbursements:</b> Finance Manager will process the approved reimbursement by including the reimbursed amount into the staff or contractor's payslip in the following payroll cycle.	Finance Manager

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<b>Urgent Reimbursement:</b> In an event where an urgent reimbursement is needed, the staff or contractor should discuss the matter with their Department Manager. If approved by the Department Manager, the Finance Manager will manually process the reimbursement amount outside of the payroll cycle within the next 2 working days after receiving instructions via email, during the Finance Team's working hours.	Finance Manager
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## **Salaries and wages**

### **Policy**

To ensure that as an employer the Association perform related financial responsibilities of employing staff.

### **Procedures**

<b>Procedure</b>	<b>Responsibility</b>
All new employees must complete an IR330 "Tax code declaration" form when they start working.  All new contractors must complete an IR330C "Tax code declaration" form when they start working.  If an employee or contractor wants to change their tax code they must fill in and give you a new declaration.  <i>The tax code declaration is kept for seven years after the employee ceases employment.</i>  <i>A separate wage and salary record needs to be maintained for each person.</i>	Finance Manager
All salary payments are made direct to each employee's nominated bank account fortnightly.	GM and Finance Manager
PAYE and deduction returns must be prepared and submitted to the Inland Revenue Department in accordance with the Inland Revenue Departments due dates.	Finance Manager
Union fees to be forwarded to union organisation after each payroll	Accounts Administrator
CPI review of staff salaries to be based on figure to September quarter. <a href="#">Consumers price index (CPI)   Stats NZ</a> . This should be included in budget for following year. Staff who have commenced employment or received an increase during the 12-month period, should receive a pro-rated increase, e.g. (CPI/12 * number of months since start/increase). CPI adjusted salaries to be effective 1 <sup>st</sup> Jan of following year. <b>Note:</b> Salaries that are fixed term will not receive a CPI increase.	GM Finance Manager
Salary performance reviews. The Association commits to reviewing salaries based on performance and may award an increase if the budget allows but is not obliged to increase remuneration or benefits following any such review.	GM reviews staff Chairperson / Board Panel reviews GM

## **Annual Leave and Holiday Pay Accrual**

### **Policy**

To ensure that the liability for holiday pay is fairly reflected in the annual financial statements.

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**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
An Annual Leave Register which records employees' annual leave entitlements and leave that has been taken must be kept.	Finance Manager to supply to GM
If an employee wishes to take annual leave they should complete an annual leave request in Xero, stating the number of days they wish to apply for and the period over which the leave will occur.	All staff
The direct line Manager will approve leave forms. The GM will review all leave for each pay run. The Chairperson will approve the GM's leave form.	GM Chairperson
Every month a leave liability journal will be processed to accrue the Annual Leave liability onto the Balance Sheet to recognise Te Tira Ahu Pae's liability for unpaid leave.	Finance Manager / GM



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**Payment of Contractors**

**Policy**

To ensure payments to contractors are treated correctly.

**Procedure**

These service providers fall into one of three categories – employee, contractor with Withholding Tax (WT) or contractor without WT.

Contractors with WT: Massive Contractors, regular Student Representatives  
Employees: Fixed-term staff (including Kaihapai and Pasifika roles), international student employees, permanent employees.

Te Tira Ahu Pae will always take WT from contractors and those that hold contracts for services unless a certificate of exemption is provided, or they are a limited liability company.

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**Goods and Services Tax (GST)**

**Policy**

To ensure Goods and Services Tax is correctly claimed, accounted for and returned to the Inland Revenue Department, in relation to the Societies activities.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
<p><b>Input Tax</b></p> <p>Where suppliers of goods and services are registered for Goods and Services Tax (GST), for GST to be claimed and refunded the following documents must be provided:</p> <p>All purchases should have a receipt/invoice as supporting document.</p> <ul style="list-style-type: none"><li>• words “tax invoice” in a prominent place</li><li>• the name and GST number of the supplier</li><li>• the date the tax invoice was issued</li><li>• a description of the goods and/or services supplied</li><li>• the total amount payable for the supply</li><li>• a statement that GST is included</li></ul> <p>Note on overseas transactions, some gift vouchers, non-GST registered supplier do not have GST.</p> <p>Refer to IRD website for latest supplier invoice requirements.</p>	<p>Finance Manager / Finance Administrator</p>

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## **Monthly Reconciliations**

### **Policy**

Reconciliations for bank accounts, credit cards, loan account and other key balance sheet items should be prepared to ensure that reconciling items are reasonable and accurate and that any discrepancies are picked up and corrected in a timely manner.

Relevant monthly reconciliations to be completed (at a minimum) are:

- Bank account reconciliations
- Income received in advance
- Leave liability
- Prepayment
- Accrued Expense/Revenue
- Hardship Grant
- Club Grant
- Outstanding club grant
- Fixed Assets
- Reserves accounts under Equity
- Intercompany recharge

### **Procedure**

<b>Procedure</b>	<b>Responsibility</b>
All reconciliations (as mentioned above) should be prepared on a monthly basis.	Finance Manager / Finance Administrator
All outstanding items should be cleared the month following.	Finance Manager / Finance Administrator
All reconciliations are documented, retained and filed to provide a clear audit trail.	Finance Manager / Finance Administrator
All reconciliations are reviewed.	GM

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**Accruals**

**Policy**

To ensure that income and expenditure is recorded in the general ledger in the month in which it is incurred, so that monthly financial reports fairly reflect the financial performance and position of Te Tira Ahu Pae and MUSA.

**Procedure**

Material items of expenditure incurred for the month but not paid will be accrued in the general ledger in that month. Expenditure is deemed to be incurred when the goods have been received or the service has been provided.

An item of income & expenditure is material for accrual purposes if it is for \$ 1,000 or more.

<b>Procedure</b>	<b>Responsibility</b>
Finance Manager must ensure that all accrual adjustments including: <ul style="list-style-type: none"><li>• Prepayments</li><li>• Depreciation</li><li>• Income in advance</li><li>• Leave liability</li><li>• Accrued expenses or revenue</li><li>• Reserve accounts under Equity</li></ul> is accounted for.	Finance Manager

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**Journals**

**Policy**

To ensure a proper audit trail for manual adjustments to the general ledger.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
The journals will be clearly narrated, and workpapers provided to support the journals made attached to journal in Xero.	Finance Manager/Accounts Administrator

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**Monthly Financial Statements**

**Policy**

Monthly cash and accrual accounting procedures will be adhered to by Te Tira Ahu Pae and MUSA to enable the following financial statements to be produced for review by management.

- Statement of Financial Performance (variance report – Actual vs Budget)
- Statement of Financial Position (balance sheet)
- Manual Journal Summary
- Manual Journal Details
- Credit card transactions breakdown

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Agreed reporting format and standard set.	Finance Manager/GM
Review of monthly financial statements prior to board submission	GM & Finance Sub-Committee
Monthly financial statements prepared for each monthly Board meeting for adoption by the Board at that meeting.	Finance Manager

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**Budget Preparation and Budget Use**

**Policy**

Robust budgeting systems and procedures are adopted by Te Tira Ahu Pae and MUSA to enable effective management and monitoring of operational performance.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
The GM, in consultation with Finance Manager, will prepare a draft budget prior to the start of the budgeted period (usually annually).  Following year's budget is prepared on a top-down basis. Subject to Te Tira Ahu Pae holding cash equivalent to three-month normal operating costs, the budget should aim to achieve break-even or surplus if sufficient SLA or additional income to cover operating expenditure.	GM, Finance Manager
The annual budget is then forwarded to the Board for approval at least one month prior to the new financial year. The annual budget is discussed and approved at the next available Board Members/meeting before end of current financial year end.	Board Members
Budget holders are advised of their allocated programme expenditure and other relevant expenditure budgets.	GM
Budget holders are updated monthly on actual expenditure v budget	GM / Finance Manager

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**Annual Financial Statements**

**Policy**

Annual Financial Statements are prepared in a timely manner and forwarded to the Auditor to complete the audit process.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
All final year end entries to be completed in full before being submitted for audit. Including adjustments to ensure the financial statements comply with the Financial Reporting Act.	GM / Finance Manager
A comparison of this year's balances with last year's should be made to detect any obvious erroneous trends.	GM / Finance Manager
A work paper file in support of the draft financial statements will be prepared	GM / Finance Manager
The Board Members will submit the annual audited accounts to the Association's members at the AGM.	Board Members



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**Audit**

**Policy**

To liaise with auditor and complete the audit process as effectively and efficiently as possible.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Confirm terms and engagement of appointment of auditor. (sign letter of engagement)	GM / Chair / Board Member
Liaise with Auditor on behalf of Te Tira Ahu Pae and MUSA	GM / Finance Manager
Subsequent adjustments and alterations are made for finalisation and printing of financial statements as part of annual report.	Finance Manager
The Chairperson of the Board, and GM and will sign off the annual audited financial statements on behalf of the Te Tira Ahu Pae	GM / Chairperson

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**Fixed Assets Register**

**Policy**

To ensure that adequate control over fixed assets owned by Te Tira Ahu Pae and the MUSA Business Unit, and that any movements are monitored accurately.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
A detailed register of all fixed assets should be maintained. Details should include: <ul style="list-style-type: none"><li>• Date of Purchase</li><li>• Supplier</li><li>• Cost</li><li>• Asset Number</li><li>• Guarantee Details</li><li>• Description of Asset</li><li>• Situation/placement in the Association</li></ul>	Finance Manager
Any additions, deletions or alterations should be recorded in the asset register.	Finance Manager
Any changes in the location of the assets should be recorded in the register.	Finance Manager
The Asset Register should be reviewed at the end of each financial year to ensure that all major fixed assets are accounted for.	GM

The depreciation rate used is calculated as the estimated useful life using the IRD Depreciation rates calculated.

Assets costing <\$1000 + GST are expensed.

All computer software is expensed.

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**Entertainment**

*Definition:*

Entertainment encompasses all costs associated with hosting internal and external functions related to ***Te Tira Ahu Pae and MUSA business.***

**Purpose of Policy**

- To avoid unbudgeted, unsubstantiated entertainment expenditure
- To ensure Te Tira Ahu Pae and MUSA adheres to tax legislative requirements.
- To ensure that expenditure relating to entertainment is correctly approved and contained within the appropriate limits.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
All entertainment costs must be budgeted for and relate to Te Tira Ahu Pae and MUSA business.	GM
All entertainment costs must be authorised prior to the event, by the budget holder.	GM Chairperson for GM
Any expenditure over budget limits or unauthorised expenditure will be charged to the person responsible.	GM / Board Members / Employee/Contractors / Student Reps
All source documentation must be provided with all entertainment expenditure.	GM / Board Members / Employee/Contractors / Student Reps

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**Fringe Benefits**

*Definition:*

Fringe Benefits are non-salary benefits provided to staff and student representatives.

[IRD definition](#)

**Purpose of Policy**

- Benefits that would attract Fringe Benefit Tax (FBT) should not be made.

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**Reserves**

**Policy**

To ensure the financial sustainability of Te Tira Ahu Pae

<b>Procedure</b>	<b>Responsibility</b>
Annual discussion with Board Members on what level of reserves are financially sound.	Board

The current level of reserves is to be sufficient to support three months of Te Tira Ahu Pae operating costs by looking at Equity level in Balance Sheet.

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### **Use of Credit Cards**

Wherever possible payments are to be made **on invoice** by the Finance Team.

#### **Purpose of Policy**

- To avoid misuse, including personal use
- To avoid unbudgeted, unsubstantiated payments
- To ensure that all expenditure charged on trust credit cards is correctly allocated and authorised.

#### **Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Every credit card issued must be approved, and approved spending level authorised (in accordance with the approved overall annual budget)	GM
For every credit card issued the delegated individual is completely responsible for its correct use. Credit cards are only to be used by the card holder.	Delegated individual card holder
A form signed by the individual cardholder accepting responsibility must be obtained before authorisation of its use.	Finance Manager
Use of Credit Cards will be for approved operational activities of Te Tira Ahu Pae only. Cards must not be used for personal use.	Delegated Individual card holder
When issuing a credit card the issue of whether it is necessary must be considered.	GM
No interest charges and personal expenses are to be incurred by the user e.g. by withdrawing cash, if incurred the user is to reimburse Association.	Delegated individual card holder
All source documentation is required with all credit and debit card transactions; failure to produce this documentation may result in the relevant transactions to be personally reimbursed by the user to the association.	Delegated Individual card holder
Credit card payments are to be made on time to avoid interest charges. In this case payments are made by direct debit.	Finance Manager
Review of reconciliation and credit card usage	One up principle (e.g. if the GM has a credit card, the Chairman shall review and approve transactions)

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**Payment for Koha**

**Purpose of Policy**

- To set out clear instructions on how to manage Koha

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
No cash transactions directly from the Associations	All staff/Employee/Student Reps
All koha and its value require pre-approval from GM	GM
Te Tira Ahu Pae and MUSA accept donations from individuals and other organisations Donations Tax Invoice/Receipt should be obtained if available.	Finance Manager
Entertainers/speakers etc are required to supply an invoice for their services. This is not to be treated as koha.	Events Lead
No employee or contractor should receive koha from our Association	All staff/Employee/Contractor/Student Reps

**Fundraising for Te Tira Ahu Pae and MUSA**

A review of previous fundraising efforts has shown that the proceeds raised have not been sufficient to cover the associated costs of running these initiatives. As a result, fundraising initiatives will be subject to increased scrutiny for both Te Tira Ahu Pae and MUSA. These will be assessed on a case-by-case basis by the Representation Manager, or equivalent.

Most fundraising activities attract GST. Wherever there is an exchange of goods or services for money, it is a GST-liable transaction. This includes activities such as sausage sizzles, quiz nights, and sales at fairs.

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## **Prizes**

### **Purpose of Policy**

- To set out clear instructions on how to manage prizes.

### **Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Pre-approve all prizes offered as incentives for events or surveys. As per the 2025 Representation Handbook, no prize should have an individual value greater than \$50 (\$100 Distance), and no event shall have a prize pool greater than \$200 (\$300 Distance).	Department Budget Holder
Maintain a centralised physical prize register including: date, reason, description, collection date (if not mailed), value, and recipient details (including Student ID).	Department Budget Holder
Submit the physical prize register to the Finance Manager for auditing purposes.	Department Budget Holder/Finance Manager
Inform the Senior Administrator when physical prizes have been issued, who will maintain a separate record.	Department Budget Holder/Senior Administrator
Manage and issue all digital prizes and oversee Te Tira Ahu Pae and MUSA Business Prezzy card accounts.	Senior Administrator
Maintain a digital prize register including: date, reason, value, and recipient details (including Student ID).	Senior Administrator

Only current students may win prizes. Staff, contractors, student representative, or their immediate family members may not win prizes. A student may receive up to \$100 in prizes per semester, outside of Orientation Events. If a student exceeds this limit and wins an additional prize, they will be ineligible to receive that prize and a new recipient will be selected.



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**Consultation Events and Payments**

**Purpose of Policy**

- To set out clear instructions on how to manage volunteer payments.

**Procedures**

<b>Procedure</b>	<b>Responsibility</b>
Cash payments to students participating in consultations are not allowed.	All staff/ Employees/Contractors/ Student Reps
Non-cash payments (such as gift vouchers) provided to volunteers are tax-free only when they are given as reimbursement for expenses incurred or as a token of appreciation, not as compensation for time or effort.	All staff/ Employees/Contractors/ Student Reps
It is common practice for certain projects or consultation events to provide survey participants with a gift to acknowledge their out-of-pocket expenses. This is typically offered in the form of a Prezzy card.	Senior Administrator
If specific proof of out-of-pocket expenses is not provided, an amount between \$30 and \$50 is generally considered a reasonable estimate for a full day of volunteer work.	Senior Administrator
Payments that exceed out-of-pocket expenses are subject to a 33% withholding tax and must be reported to and managed by the Finance Team. In some instances, gift vouchers or cards can be exchanged for cash, so they are subject to strict handling requirements.	Finance Administrator/Finance Manager
In some cases, the standard \$30–\$50 range may not be appropriate, and strictly applying these procedures could hinder the consultation process. When a gift or voucher exceeding \$50 is provided, a clear rationale for the higher amount will be documented by the Senior Administrator. It must also be confirmed that the gift or voucher was offered voluntarily, and that its value has no direct link to the time or effort expected from the recipient.	All staff/ Employees/Contractors/ Student Reps

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**Per Diem**

In accordance with the Travel Policy, per diem payments are the preferable way for employees and contractors to pay for food and beverage expenses while travelling. The rate for 24 hours is \$70.00. The rate for 12 hours but less than 24 hours is \$35.00. Payment will be made prior to travelling, as long as the Finance Manager has been given at least 2 working days' notice. If no notice has been given, payment will be made in the next payroll run.

**Petrol for Vehicles**

In accordance with the [Te Tira Ahu Pae Vehicle Use Policy](#), all drivers must complete the vehicle logbook located in each Association vehicle. This must be done in line with the Vehicle Use Procedure specific to their campus. Petrol allocation costs will be charged to the relevant group based on the entries recorded in the completed logbook.