

 **MATRIX**  
  on BOARD



# RTBU NATIONAL FINANCIAL POLICIES AND PROCEDURES





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# About the Financial Policies & Procedures

The Union environment is complex and subject to significant public scrutiny as well as legislative and regulatory requirements. Recent changes to the *Fair Work (Registered Organisations) Act 2009* (RO Act) require Unions to include in their Rules provisions regarding the development and implementation of policies around expenditure. Further, the amendments to the RO Act have imposed a number of requirements relating to disclosures and financial management practices. A core requirement is the development of financial policies and procedures that govern the Union's financial practices.

To meet legislative requirements and better practice more generally, the Rail, Tram and Bus Union (RTBU) is formalising financial policies that will be applicable across the Union. The financial policies demonstrate the RTBU's commitment to protecting the contributions of its members and drive best practice in relation to the management of its finances including meeting the recommendations outlined in the *Independent Panel on Best Practice Governance for Unions* report.

The RTBU contracted Matrix on Board (Matrix) to assist in developing the Union's Financial Policies and Procedures (Financial P&Ps).

The Appendix of this document contains the Financial P&Ps.

We understand that these Financial P&Ps will be provided to the National Council for final consideration and approval.

Once the Financial P&Ps are finalised it is important that they are properly implemented. The Financial P&Ps outline new systems and require the creation of new forms and resources. Matrix recommends that the Office Manager / Administrator, under the supervision of the Branch/ National Secretary, ensure that the appropriate systems and resources are in place to support the implementation of Financial P&Ps.

## **How the Financial Policies & Procedures are written**

While some of the systems and resources outlined in the Financial P&Ps are not yet in place, the Financial P&Ps are written in the present tense – that is, as if all the processes outlined in them are currently happening. This is so the language of the Financial P&Ps does not need to be changed once the systems are in place.

The training section of the Financial P&Ps could not be completed at this time as this is a future action for the Union. A text box has been included to provide the reasons for this, and suggestions for the Union in developing the policy when the time arises.

# Appendix: Financial Policies & Procedures

## **Rail, Tram and Bus Union** Financial Policies and Procedures

Prepared by Matrix on Board and RTBU: September 2013

.....  
Approved by the National / Branch Secretary

.....  
Approved by National / Branch Audit and Compliance Committee:

.....  
Approved by National / Branch Executive

.....  
Approved by National / Branch Council

.....  
Review Date: (2 years from National Council approval)

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# 1. Introduction

These Financial Policies and Procedures articulate the commitment of the Rail, Tram and Bus Union (RTBU) to protect the contributions of our members and to encourage best practice in relation to our finances.

This Manual covers critical financial aspects of the work of the RTBU. However, it does not cover:

- Human resources, administration, information technology
- Non-financial reporting obligations to the Fair Work Commission
- Disclosure requirements explicitly contained within the RTBU Rules around remuneration and conflicts of interest introduced in the *Fair Work (Registered Organisations) Amendment Act 2012*.

There is an ongoing review process for these policies. The policies are reviewed within two years of National Council's approval and then every two years thereafter. It is also amended earlier if:

- Our practices need to be updated or refined according to best practice
- There are changes to the law or government policies that impact on our financial practices
- The Rules of the Union are changed in a way that affects our financial practices
- It becomes clear that the current policies are incorrect or there is a critical gap.

If policies are reviewed or if changes are made these are noted both on the cover sheet to this Manual and in the individual policy.

This policy is to be made available on the RTBU website and to members when requested.

## HOW TO READ THIS DOCUMENT

These Financial Policies outline the minimum requirements for each office of the Union, including the National Office, as well as New South Wales, Victoria, Queensland, South Australia – Northern Territory, Western Australia and Tasmanian Branches.

As these Financial Policies apply to all offices, generic language (e.g. "Office", "Council", "Executive," "Audit and Compliance Committee", "Secretary", "Assistant Secretary", and "Office Manager / Administrator") is used. The phrases "National" or "Branch" are used to be more specific.

## 2. Financial delegations

The RTBU’s financial policies articulate the commitment of the Union to protecting members’ fees and encourage best practice in relation to the management of finances. Part of this commitment includes developing an appropriate framework to ensure financial decisions for the organisation are being made by the appropriate individuals

It is good practice to ensure that there are proper procedures in place to determine who can commit the union to the purchase of goods and services, and at what levels this takes place. Any expenditure approval policy should also specify who is accountable for spending in particular areas of authority. This should be written down and made available to staff. The Union’s policy can also specify that any spending must be done in accordance with the approved budget for the year.

Activity	N/B Council	N/B Executive	N/B A&CC
<b>Annual financial reporting</b>			
Appointment of auditor	✓		
Prepare annual financial reports			
Oversight of annual financial report preparation			✓
Approval of Executive statement and final sign off on annual financial reports		✓	
Making reports available to members			
Provision of reports to the Fair Work Commission (FWC)			
<b>Budgeting</b>			
Prepare budgets			
Oversight of preparation of budgets			✓
Approval of budgets		✓	
Monitoring of budgets			✓

**Abbreviations:** N/B Council = National or Branch Council; N/B Executive = National or Branch Executive; N/B A&CC = National or Branch Audit and Compliance Committee; N/B Secretary = National/ Branch Secretary, plus Divisional Secretary where resolved by the Branch Executive to allow Divisional arrangements to continue as per past practice; N/B Asst. Sec = National or Branch Assistant Secretary; N/BOM = National or Branch Office Manager / Administrator.

The table below sets out the RTBU’s “Financial Delegations Table”, outlining the financial authorities of the National/ Branch Council, National/ Branch Executive, National/ Branch Audit and Compliance Committee, National/ Branch Secretary, Assistant National Secretary (full-time)/ Assistant Branch Secretary, and Office Manager / Administrator. More details are available in individual policies.

Throughout these Policies, where the Office Manager / Administrator has responsibility for a role, the National/ Branch Secretary or Assistant Secretary can also exercise that responsibility if needed. Similarly the National/ Branch Secretary can exercise any responsibility delegated to the Assistant Secretary.

N/B Secretary	N/B Asst. Sec	N/B OM	Comment
✓		✓	
✓		✓	Concise report provided to members with advice on how they can access full report
✓		✓	Secretary signs designated officer statement
✓		✓	
✓			

Activity	N/B Council	N/B Executive	N/B A&CC
<b>Procurement</b>			
Approval of purchases within approved budget			
Approval of urgent or unforeseen purchases outside budget		✓	
Preparation and maintenance of Preferred Supplier List (PSL)			
Approval of the PSL			✓
<b>Invoice approval</b>			
Processing of invoices			
Approval of invoices			
<b>Banking and cheque payments</b>			
Administration of accounting system, online banking and cheques			
Opening and closing bank accounts		✓	✓
Changing authoriser on bank accounts		✓	✓
Electronic Funds Transfer (EFT) authorisation of wages and payments		✓	✓
Signing cheques		✓	✓
<b>Credit cards, fuel cards and cab charge</b>			
Approval of new credit cards and credit limits			
Approval of new fuel cards			
Approval of cab charge cards and vouchers			
Approval of monthly statement and reconciliation of credit cards, fuel cards, and cab charge cards			
Oversight of credit card statements, and fuel charge and cab charge statement amounts			✓
<b>Payroll</b>			
Approval of leave, allowances and expenses			
Processes payroll			
Approval of payroll EFT payment file		✓	✓

N/B Secretary	N/B Asst. Sec	N/B OM	Comment
✓	✓		
✓			Secretary also reports such purchases to the Audit and Compliance Committee
		✓	
✓			
		✓	
✓			
		✓	
✓			Need two authorised signatories from the following group: Secretary, officer authorised by the Executive and one member of the A&CC
✓			
✓	✓	✓	Need two authorised signatories
✓	✓		Need two authorised signatories
✓			Plus one other officer approved by the Executive
✓			Plus one other officer approved by the Executive
✓			Plus one other officer approved by the Executive
✓			
✓			
		✓	
✓	✓	✓	Need two authorisers

Activity	N/B Council	N/B Executive	N/B A&CC
<b>Travel</b>			
Approval of travel and travel related expenses			
<b>Reimbursement of staff expenses</b>			
Processing of staff reimbursements			
Approval of reimbursements			
<b>Petty cash</b>			
Administers petty cash			
Signing petty cash cheques		✓	✓
<b>Asset management</b>			
Maintains Assets Register and Depreciation Schedule			
Approval of disposals of assets			✓
<b>Vehicles and equipment</b>			
Maintains and administers equipment			
Approval of issue of new equipment			
<b>Accounts receivable</b>			
Raising a provision for doubtful debt			
Approval for a bad debt write-off			
<b>Insurance</b>			
Oversight of insurance policies and their currency			
Approval of purchase of insurance policies			

N/B Secretary	N/B Asst. Sec	N/B OM	Comment
✓			
		✓	
✓			
		✓	
✓	✓		Need two authorisers
		✓	
✓			
		✓	
✓			
		✓	
✓			
		✓	
✓			
		✓	
✓			

## 3. Financial oversight

The RTBU is committed to robust financial management, to ensure that the interests of our members are protected.

Sound financial management of any organisation requires a series of checks and balances to be in place. This document is the Framework for the Financial Oversight of the RTBU (the Framework). It outlines the overall checks and balances in place to protect the interests of our members. The Framework is complemented by the rest of the Financial Policies and Procedures, which set out how our financial systems work in more detail.

There are a number of key stakeholders who have financial responsibilities in RTBU. They are the:

- National/ Branch Council
- National/ Branch Executive
- National/ Branch Audit and Compliance Committee
- National/ Branch Secretary.

This Framework outlines the roles of each of these stakeholders and their responsibility in relation to financial management of the RTBU.

### **Role of the National/ Branch Council**

The National and Branch Councils are the supreme decision making bodies of the RTBU. They consider a range of matters including amendments to the Rules and strategic priorities for the coming year.

In relation to financial management, the National/ Branch Council:

- Considers and approves the annual audited financial reports – this allows the Council to understand the general financial health of the Union
- Considers and approves the level of fees for the coming year – this allows the Council to balance issues around funding the work of the Union against membership fees
- Considers and approves whether the National Office/ Branch will incur a deficit or surplus in the coming year and the impact this will have on reserve funds – this allows the National Office / Branch to be conscious of the health of the Union including whether there is sufficient funding for the work of the National Office / Branch
- Determine the remuneration of paid officials and employees in the Union – this allows the Council to ensure that officials and employees are appropriately remunerated and that there is compliance with the budget.

The Council may receive advice and recommendations on its financial management role by the Executive. In turn, the Executive considers the work of the relevant Audit and Compliance Committee. This Committee is a subcommittee of the Executive and is made up of the Secretary, the National Assistant Secretary (F/T)/ Branch Assistant Secretary, and a minimum of two members resolved by the Executive.

### **Role of the National/ Branch Executive**

When the Council is not assembled, the National/ Branch Executive has the same powers of the Council with some exceptions. The National/ Branch Executive is involved in strategic decision making and general oversight of the work of the RTBU.

The National/ Branch Executive is also responsible for the regular oversight of the financial health of the Union.

In relation to financial management, the National/ Branch Executive:

- Considers and approves the operational and capital budgets of the relevant National Office/ Branch – this allows the National/ Branch Executive to ensure that the budgets are appropriate to meet the strategic priorities of the Union and that the strategic priorities of the Union are within budget
- Monitors the preparation of the annual audited financial reports and approves them – this allows the National/ Branch Executive to ensure that this aspect of the RTBU's obligations under the *Fair Work (Registered Organisation) Act 2009* is met
- Approves expenditure that is significantly outside budget – this allows the National/ Branch Executive to monitor expenditure above budget

The National/ Branch Executive will also receive the minutes of the meetings of the Audit and Compliance Committee (see below).

### **Role of National/ Branch Audit and Compliance Committee**

The National/ Branch Audit and Compliance Committee oversees the finances of the Union, and is comprised of the National/ Branch Secretary, Assistant National Secretary (F/T) or Assistant Branch Secretary, plus a minimum of two members resolved by the National/ Branch Executive. Or in the alternate, the Branch Audit and Compliance Committee could comprise of the Branch Secretary, plus three members resolved by the Branch Executive. The Committee's role is one of scrutiny, as opposed to financial decision-making. The Committee meets quarterly or as required, to conduct these functions.

In relation to financial management, the Committee:

- Oversees the proper management of the Union's finances in accordance with its priorities, annual budget, policies and procedures
- Reviews and make recommendations to the National/ Branch Council about the financial policies and procedures
- Reviews and endorses the financial strategy and budget for recommendation to the governing body
- Review of financial reports

The National/ Branch Executive receive the records of all Audit and Compliance Committee meetings.

During the life of the term of an Audit and Compliance Committee, any casual vacancy shall be filled by a resolution of the National/ Branch Executive. Members of the Committee are reviewed by the National/ Branch Executive after each quadrennial election and are selected by the National/ Branch Executive.

## Role of the National/ Branch Secretary

One of the roles of the National/ Branch Secretary is to run the National Office/ Branch. The National/ Branch Secretary does his or her work in accordance with the rules of the union.

In addition, the National/ Branch Secretary:

- Ensures that there are sound financial policies and procedures in place and that they are followed – this ensures sound financial processes within the Union and compliance with obligations under the *Fair Work (Registered Organisation) Act 2009*
- Ensures the preparation of the annual audited financial reports under the direction of the National/ Branch Executive – this ensures that this aspect of the Union’s obligations under the *Fair Work (Registered Organisation) Act 2009* is met
- Ensures that the operations of the National Office/ Branch are conducted within the budget approved by the National/ Branch Executive, and that expenditure that is significantly outside budget is approved by the National/ Branch Executive – this helps the RTBU stay financially viable
- Ensures laws are complied with including those outlined in the *Fair Work (Registered Organisation) Act 2009*, tax law and employment law – this protects the RTBU and its staff.

The National/ Branch Secretary may delegate these functions to other officials or staff, in line with the Rules.

## 4. Financial training

Under the changes to the *Fair Work (Registered Organisations) Act*, the Rules of all Unions and branches must be amended to require all officials of the Union and branches who have financial management duties to attend financial training. The training:

- Must be approved by the General Manager of FWC
- Must cover the official's financial duties
- Must be done within 6 months of the person taking office or if the person is already in office within 6 months of 1 January 2014 (per recent extension of the timeline).

It is noted that the RTBU Rules has requirements for officers whose duties include financial management of the organisation or branch, to undertake relevant training

The RTBU is committed to sourcing this training and developing an appropriate training schedule.

Further, in light of the new responsibilities that the National/ Branch Secretary has in relation to governance, it is acknowledged that a specific training package will be developed or sourced for Secretaries, as they will have the ultimate responsibility for ensuring these changes are delivered.

Once the training regime has been finalised, all relevant officers and staff will be required to undertake approved and relevant training.

## 5. Annual financial reports

In accordance with the Fair Work requirements, all Unions need to prepare annual financial reports for its membership. This policy will look at how the “Full Report” and the “Concise Report” are prepared each year. The Full Report includes a General Purpose Financial Report (GPFR) and an Operating Report. The Concise Report includes the Operating Report, a truncated version of the GPFR and some extra information.

Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) outlines the requirements for annual financial reporting for unions. These are supplemented by the Financial Reporting Guidelines issued by the Australian Industrial Registry and adopted by FWC. FWC has also produced some very useful factsheets on this topic.

The RTBU’s Rules also discuss the annual financial report and appointment of the auditor.

### **Selection of the auditor**

In accordance with the Rules every two years, the National / Branch Council appoints a properly qualified auditor (Rule 25). The RO Act sets out the necessary qualifications for the auditor (Chapter 8, Part 3, Division 4).

The RTBU is committed to independent auditing of the accounts and will work transparently with the auditors. The RTBU is also committed to ensuring continual improvement in financial management. One aspect of this is ensuring that there are fresh eyes looking at the finances periodically. This will be through regularly changing auditors. The National/ Branch Secretary will recommend a change in lead auditor every two years, with a change in audit firm every six years in accordance with the meeting cycles of the Council and RTBU Rules. The following criteria are to be used when choosing an auditor:

- Capability – the skills and experience required for the job, in particular do they have experience with registered organisations under the Fair Work regime?
- Stability – the ability to provide the service for the contract period with a continuity of staff
- Cost – the quoted price
- Service – the ability to provide advice and training support to Union finance staff
- Communication skills – the ability to explain accounting issues in plain English.

The selection and appointment of auditor will be subject to the following tender process:

1. The Office Manager / Administrator in conjunction with the National/ Branch Secretary, prepares a Call for Tenders document that is distributed widely to possible suppliers (audit firms)
2. Once tenders are received, the Office Manager / Administrator and National/ Branch Secretary consider each provider against the purchasing principles outlined in the Procurement Policy as well as the criteria outlined above. All suppliers on the Conflict of Interest List are discarded. The Office Manager / Administrator and National/ Branch Secretary compile a list of potential providers and indicate how they compare to the purchasing principles and criteria. The Office Manager / Administrator and National/ Branch Secretary nominate a preferred supplier from the list.
3. The list is provided to the Audit and Compliance Committee for consideration and review of the selection. Any concerns or endorsements will be noted in the Committee minutes.
4. The Council will review the recommendations and have final approval of the appointment of the audit firm.

## Preparation of the annual financial reports

The annual financial report is prepared in the following way:

1. As the RTBU follows the calendar year, preparation work for the audit occurs from November through January. The Office Manager / Administrator prepares the draft Full and Concise Reports. These are provided to the auditor.
2. The auditor conducts their on-site audit in February (approximately).
3. Relevant changes are made to the Full and Concise Report, based on the auditor's feedback.
4. The National/ Branch Secretary and Office Manager / Administrator meet to agree on the Full and Concise Reports.
5. The National/ Branch Secretary submits the Full and Concise Report to the National/ Branch Executive, for approval and signing, which is documented in the minutes. The National/ Branch Executive also passes a resolution that members can be provided with a copy of the Concise Report as opposed to the Full Report.
6. This report is then published on the RTBU website for members to view, or published in accordance with any legislative changes on or before 31 May each year.
7. The auditor views the minutes approving the Full and Concise Report before signing the auditor's report.
8. The Full and Concise Report, including the signed auditor's reports are tabled at National/ Branch Council meeting. The Council votes on adopting the Full and Concise Reports.
9. The Full and Concise Reports, including the signed auditor's reports, are then passed by the National/ Branch Executive again. This must occur on or before 30 June each year.

## Reporting to the Fair Work Commission

The Office Manager / Administrator lodges the following documents with FWC within 14 days of the National/ Branch Executive's final approval of the Full and Concise Reports:

- A copy of the Full Report
- A copy of the Concise Report
- A certificate signed by the National/ Branch Secretary, as the designated officer of the union, certifying that:
  - the documents lodged are copies of the documents provided to members
  - the documents lodged are copies of the documents presented to a meeting of the Committee of Management.

The Office Manager / Administrator liaises with FWC regarding any questions FWC may have about the reports.

The Union is also required to lodge with FWC a statement showing the particulars of each loan, grant or donation of an amount exceeding \$1,000 made by the Union during the year. This statement is prepared by the Office Manager / Administrator, and approved and signed by the National/ Branch Secretary. The Office Manager / Administrator ensures the statement is lodged with FWC within 90 days of the end of the year.

## Management letter

The auditor may provide the Union with what is known as a "management letter". This letter sets out any issues the auditor has with the internal processes.

The National/ Branch Secretary, with the Office Manager / Administrator, prepares a plan of action to respond to the issues raised in the management letter. Once this letter is received it is provided to the Audit and Compliance Committee along with the plan of action, for discussion.

## 6. Budgets

Budgets are important management tools for ensuring that there are sufficient funds for the Union to be able to perform its work and to ensure that expenditure is within means.

This Policy outlines the annual operational and capital budgeting process. The operational budget estimates expenditure for the general running of the Union each year. The capital budget includes projected expenditure on capital purchases for the coming year.

### **The annual budgeting process**

The National/ Branch Secretary and Office Manager / Administrator prepare draft operational and capital budgets in approximately September each year. The draft budgets are provided to the Audit and Compliance Committee for comment and input. The draft budgets are then provided to the National/ Branch Executive for comment and final approval. Every effort is made to ensure that the budgets are provided to the National/ Branch Executive as soon as possible after feedback is received from the Audit and Compliance Committee.

The RTBU should also endeavour to prepare project budgets as part of the operational budget, where possible. Whilst specific spending cannot always be forecast, an aggregate operational budget is set based on strategic priorities. Specific budgets and any amendments to them do not require the approval of the National/ Branch Executive unless the aggregate operational budget is likely to be breached. However, every effort is made to provide the National/ Branch Executive with specific budgets and any amendments to them.

Once the operational budget is approved, the Office Manager / Administrator enters the budget into the financial reporting system.

Capital budgets are prepared considering the asset replacement and new asset requirements of the coming year, particularly taking into account computing and motor vehicle needs.

### **Monitoring expenditure against budget**

The adopted budgets are the reference point against which actual income and expenditure can be compared to ensure that the RTBU is financially on track.

The profit and loss statements that form part of the regular reports for the National/ Branch Secretary, Audit and Compliance Committee and the National/ Branch Executive, indicate expenditure against the operational budget.

Capital purchases against the capital budget are reported as part of the quarterly reports to the National/ Branch Executive and the Audit and Compliance Committee.

### **Reviewing the budget**

Budgets are reviewed quarterly by the National/ Branch Secretary and the Audit and Compliance Committee. Consideration is given to whether the budgets are sufficient to meet the expenditure needs of the National Office/ Branch. If the budgets need amending, revised budgets are prepared and provided to the National/ Branch Executive for consideration, discussion, amendment and approval.

## 7. Procurement: purchasing goods and services

The RTBU is committed to making the best use of members' fees in the procurement of goods and services. This Policy provides guidelines on how goods and services can be purchased by the RTBU.

### Authority for purchases

Different levels of expenditure require different approval. These are set out below:

- All purchases within the budget approved by the National/ Branch Executive, can be approved by the National/ Branch Secretary
- All urgent or unforeseen purchases outside budget, can be approved by the National/ Branch Secretary, as long as those purchases are reported to the Audit and Compliance Committee at the earliest opportunity
- The National/ Branch Secretary may delegate authority around purchases in accordance with the Rules. To ensure the day-to-day running of the office, the National/ Branch Secretary may delegate in writing the authority to approve all purchases up to \$5,000, without the pre-approval of the National/ Branch Secretary. All such approvals are subject to the scrutiny of the Audit and Compliance Committee.
- The person to whom the authority is delegated will confer and seek the approval of the National/ Branch Secretary if in any doubt that a particular item falls into this authorised expenditure category.

Where possible, appropriate approvals are sought before goods and services are purchased. It is acknowledged that pre-approval is difficult for purchases on credit cards, fuel cards and cab charge cards. See the relevant policies for additional safeguards that have been put in place for these cards.

### Purchasing principles

The RTBU adheres to a number of principles when determining which suppliers to choose. They are:

- 1. Value for money, quality and overall service**  
The RTBU is entrusted with the money of our members, and strives to obtain value for money when purchasing goods and services. This includes the quality, timeliness and better overall service, as well as price.
- 2. Avoidance of conflicts of interest**  
The RTBU is committed to ensuring that purchasing is protected from conflicts of interest (see the section on "Conflicts of interest and Purchasing").
- 3. Preference for Australian made goods and services**  
The RTBU is committed to Australian workers and considers whether goods are Australian made when making purchasing decisions.
- 4. Commitment to labour values**  
As a Union, the RTBU values commitment to similar values. We consider suppliers' understanding of labour values in determining who we purchase from.

## Conflicts of interest and purchasing

The RTBU is committed to avoiding conflicts of interest in purchasing. This helps ensure fairness in purchasing and protects membership fees from misuse.

In relation to conflicts of interest, the RTBU Rules state that:

- All officers of the RTBU are required to disclose within the Union and then to members any “material personal interests” they or a close relative have that might impact on the affairs of the Union
- Any payments to the people or organisations that an officer has a “material personal interest” in must be disclosed to the membership.
- Any payments to related parties to the RTBU need to also be disclosed to the membership. Related parties include officers, their spouses, their relatives and any entities controlled by the RTBU.
- Absenting one-self from any decisions concerning matters where a material personal interest has been declared.

The following is a guide of who is an officer for this purpose:

- All voting members of the National / Branch Council
- All full time officials of the Union
- Anyone who holds property on behalf of the Union (e.g. a Trustee)
- Any Office Manager / Administrator or individual with responsibility for procurement or major purchasing decisions
- Any other staff member with a level of delegated decision-making authority in relation to the Union’s finances.

The Union will apply a ‘reasonable person’ test to decide whether a reasonable person would perceive that the relevant individual could be influenced by a private interest when carrying out their duties. The Office Manager / Administrator should undertake this assessment. In the case of activities relating to the Office Manager / Administrator, the National/ Branch Secretary will make this assessment.

The purpose of this section of the Financial Policies and Procedures is not to ensure compliance with these sections of the RTBU Rules. However, the information compiled as a result of these sections helps inform our purchasing practices.

As a result of these sections a list containing all “related parties” and people and organisations with whom officers have a “material personal interests” must be compiled by the Officer Manager. The Office Manager / Administrator keeps this list (the Conflict of Interest List) and provides a copy to the National/ Branch Secretary.

The Office Manager / Administrator ensures that the Conflict of Interest List is updated, and updated copies are provided to the National/ Branch Secretary.

When purchases are made the person authorising the purchase will ensure that wherever possible the supplier is not on the Conflict of Interest List provided by the Office Manager / Administrator.

## Selection of suppliers

### Selection of suppliers for regular purchases

Regular purchases are made using a Preferred Supplier Listing (PSL). The PSL is maintained by the Office Manager / Administrator for regular purchases with annual spend under \$50,000. All regular purchases with annual spend over \$50,000 are subject to a tender process (see below).

Three quotations are required to be obtained for each type of regular purchase, except in circumstances where there are good reasons for not doing so (for example, where three options for supply is not available). The decision regarding the preferred provider is made with the purchasing principles in mind, and approved by the relevant governing body.

Any suppliers on the Conflict of Interest List will be excluded. The Office Manager / Administrator reconsiders the PSL whenever the Conflict of Interest List is updated.

The PSL is reviewed at least every four years, following the RTBU quadrennial elections.

### Selection of suppliers for other purchases

The process for selecting suppliers for purchases that are not regular is determined by the amount of the purchase or contract to be entered into, in particular:

- **Tenders** are used for the purchase of goods or services, where there are a range of suppliers to choose from and the annual spend is over \$50,000
- **Three quotations** are required for the purchase of goods or services not on the PSL and with annual spend between \$25,000 - \$50,000
- **Two quotations** are required for the purchase of goods and services not on the PSL and with annual spend between \$5,000 - \$25,000

Where there are good reasons for not applying a tender process or seeking three quotations (for example,

entitlement to government purchasing concessions, or not enough suppliers to warrant a formal tender or quotation process), the reasons must be noted in writing and approved by the National/ Branch Secretary and reviewed by the Audit and Compliance Committee.

All suppliers on the Conflict of Interest List are excluded.

Only someone with the delegated authority to approve purchases of the given amount can decide which supplier to choose in the above process. Decisions should be made in accordance with the Purchasing Principles.

### Tender process

The tender process is as follows:

1. The Office Manager / Administrator in conjunction with the National/ Branch Secretary prepares a Call for Tenders document that is distributed widely to possible suppliers.
2. Once tenders are received, the Office Manager / Administrator and National/ Branch Secretary consider each provider against the purchasing principles. All suppliers on the Conflict of Interest List are discarded. The Office Manager / Administrator and National/ Branch Secretary compile a list of potential providers and indicate how they compare to the purchasing principles. The Office Manager / Administrator and National/ Branch Secretary select the successful supplier based on the evaluation.
3. The list and supporting information is provided to the Audit and Compliance Committee for consideration and review of the selection. Any concerns or endorsement of the selection is noted in the Committee minutes.
4. With the exception of tendering for auditors, all tenders that have been awarded will be reported to the National/ Branch Executive at the next meeting.
5. The process for selecting and awarding tenders greater than \$50,000 is repeated every 4 years for ongoing suppliers, in line with the RTBU quadrennial elections.

## 8. Invoice approval

Goods and services are purchased in accordance with the Procurement Policy. Pre-approval must have been sought from the National/ Branch Secretary for amounts above what is delegated to individuals (see Authority for Purchases on page 20).

When an invoice is received for goods/services ordered, the invoice must be checked by the relevant individual responsible for organising and receiving the goods/ services for accuracy and to confirm that the items have been received.

Once it is confirmed the invoice is accurate and justified, the invoice is approved by the National/ Branch Secretary, and forwarded to the Office Manager / Administrator for processing and payment via EFT or cheque (see Banking and Cheque Payments).

## 9. Banking and cheque payments

### Bank accounts

Any changes in bank accounts require the authorisation of the National/ Branch Secretary and one other authorised signatory being either an officer authorised by the National/Branch Executives or a member of the Audit and Compliance Committee. Changes to bank accounts include opening and closing of accounts, and changes in authorisers.

The Office Manager / Administrator conducts bank reconciliations at least monthly.

### EFT authorisations

Banking is performed at least weekly. A payment batch is created on the Accounting System by the Office Manager / Administrator and uploaded onto the online banking system. The supporting invoices are provided with the EFT payment file and submitted for approval online by the National/ Branch Secretary, or in their absence, a second authorised signatory from the following list:

- Assistant Secretary
- Officers authorised by the National/ Branch Executive
- Nominated member from the Audit and Compliance Committee

Under no circumstances can the person who prepares and uploads the EFT payment batch have single access to release and approve the payment on the online banking system. Authorised signatories must satisfy themselves as to the accuracy and consistency of the documentation and the EFT payment file, before approving the payment online.

### Cheque authorisations

Where cheques are required, the National/ Branch Secretary instruct the Office Manager / Administrator to draw up a cheque. The cheque must be signed by the National/ Branch Secretary and one other authorised signatory from the following list:

- Assistant Secretary
- Officers authorised by the National/ Branch Executive
- Nominated member from the Audit and Compliance Committee

## 10. Credit cards, fuel cards & cab charge cards/vouchers

Credit cards allow the RTBU to purchase goods and services where it is not practical to pay by cheque or bank transfer. They are also a potential source of fraud. These two considerations are balanced in this Policy, to protect the RTBU as well as enable its work to be done.

### Credit cards

The issuing of new credit cards and the increase in credit card limits require the authorisation of the National/Branch Secretary and one other officer authorised by the National/Branch Executive. No individual credit card will have a limit greater than \$10,000.

Credit cards are only used for work related expenditure. The only exception is for fuel, which can be purchased on credit cards and used reasonably for personal reasons strictly in accordance with employment conditions.

All credit cardholders sign a statement indicating that:

- The card will only be used for work related purchases (except for the fuel exception noted above)
- The card will not be used for cash withdrawals and confirming this function has been disabled at the point of issue
- The card will not be used by anyone other than the authorised holder of the card
- That receipts will be obtained for all purchases. Where this is not possible the cardholder will make a note about the nature and amount of the purchase at the time that the purchase was made and this will be signed by the cardholder. The note will be provided to the Office Manager / Administrator.
- Where it is found that the cardholder has misused their card for personal purposes, whether intentionally or accidentally, they agree to repay the RTBU the money spent and may face disciplinary action.

Credit cards are never to be used for personal, non-work related expenses, even if the cardholder intends to reimburse the union at a later date. Any cardholder who has been found to have misused their credit card may face disciplinary action, including revocation of their credit card and/or a formal warning. If the card is found to have been deliberately and wilfully misused, and/or if the breach of policy is significant or repeated, the RTBU is like to consider the cardholder's behaviour to be an example of serious misconduct.

Cardholders must return their credit cards to the National/Branch Secretary on or before the employee ceases employment with the Union.

Credit cards are only used where necessary and payment via invoice is preferred over the use of credit cards.

Credit card statements are paid by direct debit, but they undergo the following scrutiny:

- Within seven days after the end of the billing cycle, the cardholder will be provided with a credit card statement and will be required to perform a reconciliation of any transactions incurred for that month
- The cardholder must verify that each purchase was for approved budget expenditure and attach relevant receipts or invoices
- The monthly statement will be signed to indicate all transactions were valid
- If a cardholder fails to reconcile their accounts in a timely manner, their cards may be suspended
- The Office Manager / Administrator reviews the credit card statements and considers it in light of the usual expenditure. If the Office Manager / Administrator is satisfied that the bill is accurate and justified, it is submitted to the National/Branch Secretary for final approval
- The Audit and Compliance Committee review the credit card statements at their quarterly meetings.

## Fuel cards

The issuing of new fuel cards require the authorisation of the National/ Branch Secretary and one other officer authorised by the National/ Branch Executive.

Fuel cards are used in accordance with employment conditions. The employment conditions of some staff allow for reasonable personal use of RTBU vehicles, including fuel. Where personal use of vehicles or fuel cards is not included in employment conditions, fuel cards, like vehicles, are only used for work related purchases.

All receipts for purchases on fuel cards are kept and provided to the Office Manager / Administrator.

Fuel card statements are paid by direct debit, but undergo the following scrutiny:

- For the fuel card of the general use National Office/ Branch vehicle, the Office Manager / Administrator checks the statement against receipts
- The Office Manager / Administrator views the fuel card statements and considers them in light of the usual expenditure
- If the Office Manager / Administrator is satisfied that the bill is accurate and reasonable, it is submitted to the National/ Branch Secretary for final approval
- The Audit and Compliance Committee review the fuel card statements at their quarterly meetings.

## Cab charge cards and vouchers

The issuing of new cab charge cards require the authorisation of the National/ Branch Secretary and one other officer authorised by the National/ Branch Executive.

Cab charge cards are only used for work related taxi travel. All cab charge holders sign a statement indicating that:

- The card will only be used for work related taxi travel
- The card will not be used by anyone other than the authorised holder of the card
- That receipts will be obtained for all taxi travel. Where this is not possible the cardholder will make a note about the nature and amount of the purchase at the time that the purchase was made and sign the note. This will be provided to the Office Manager / Administrator.
- When the cab charge card statement is received, the cardholder will provide receipts or signed notes for all line items.
- Where it is found that the cardholder has misused their card for personal purposes, whether intentionally or accidentally, they must repay the RTBU the money spent.

Cab charge card statements undergo the following scrutiny:

- The cardholder must provide written receipts or signed notes for each line item in the cabcharge statement
- The Office Manager / Administrator views the cab charge card statements and considers them in light of the usual expenditure. If the Office Manager / Administrator is satisfied that the bill is accurate and justified they submit it to the National/ Branch Secretary for final authorisation
- The Audit and Compliance Committee review the cab charge statements at their quarterly meetings.

## Loss of credit cards, fuel cards or cab charge cards

Loss or theft of a credit card, fuel card or cab charge card should be reported as soon as possible to the card authority, regardless of when the loss occurs. The loss or theft should also be reported to the Office Manager at the earliest available opportunity.

# 11. Payroll, travel and other staff reimbursements

The RTBU is committed to ensuring the timely and accurate payment of its employees, as well as reimbursement for authorised work-related expenditure.

The purpose of this Policy is not to ensure that the employment conditions are followed but rather that the appropriate financial controls are in place.

Where any entitlements relate to the National / Branch Secretary, any approvals for leave, allowance and expenses, must come from another officer authorised to do so by the Executive.

## Salary setting

In accordance with the RTBU Rules, the National Council has the power to determine the salaries and conditions of employment of paid office bearers. The National Secretary and Assistant National Secretary determine the salary of the rest of the staff of the National Office.

In accordance with the RTBU Rules, the Branch Council has the power to determine the salaries and conditions of employment of paid Branch office bearers and persons engaged as employees.

Disclosures of remuneration packages will be made in accordance with the RTBU rules, including a requirement to disclose the remuneration of all full time officers. Remuneration includes all non-cash benefits, and payments received for directorships or board appointments by virtue of being an officer of the Union.

All salaries are budgeted for in the operational budget.

## Outside employment

Employees and officials may work outside of their main employment if it does not conflict with or adversely affect the performance of their official duties. This policy applies to all outside paid employment as well as paid or unpaid directorships.

## Payroll processing

All casual staff complete timesheets, which are monitored by the Office Manager / Administrator.

Whenever relevant, permanent staff and officials complete a Leave, Allowances or Expense Sheet, in line with the payroll cycle. It indicates what leave the staff member or official has taken and any allowances or expenses they may be eligible for from the preceding week.

Timesheets and Leave, Allowances and Expenses Sheets are provided to the National/ Branch Secretary for checking. The National/ Branch Secretary checks that the sheets accurately reflect the work and entitlements of staff and officials, and then signs them. They are then provided to the Office Manager / Administrator for processing and paid via EFT in line with the Banking policy.

## Travel and accommodation

When officials and staff are required to travel for work related purposes all work related costs are covered by the RTBU.

For air travel, all flights and accommodation must be first approved by the National/ Branch Secretary. Flights and accommodation are then booked through a supplier on the PSL. In the absence of a preferred supplier, flights and / or accommodation are booked in line with the procurement policy.

All train travel, bus travel, car hire and other accommodation costs are purchased in line with the Procurement or Credit Card Policy.

Work related taxi travel is either paid for with a cab charge card, credit card or reimbursed.

### Use of own vehicle

While the use of a private vehicle is generally discouraged, it may be necessary for staff to use their own vehicle for work related purposes.

Prior approval for personal car use must first be sought from the National/ Branch Secretary. It is the responsibility of the official or employee to ensure the vehicle is covered by a current comprehensive motor vehicle policy and to pay any excess that may be applicable in the event of an accident.

Reimbursement is calculated in accordance with the Australian Tax Office recommendations. See <http://www.ato.gov.au/content/00313836.htm>.

For staff to obtain reimbursement, the vehicle engine size and kilometres travelled are recorded on the Leave, Expenses and Allowances Sheets. Approved allowances are processed with the payroll.

## Meals

Where work related travel requires officials or staff to be away from home overnight, meals are usually provided – for example through work functions, hotel breakfasts, meetings with catered lunches, hotel room service. If such meals have not been provided, reasonable meal expenses may be placed on credit cards or on room service.

Where a staff member or official has to make an out of pocket payment for meals while they are travelling for work purposes, they can obtain a reimbursement of the meal expense up to the amount set by the National/ Branch Executive after each RTBU quadrennial election, and taking into account the Australian Tax Office guidelines. The Australian Tax Office publishes guidelines each year setting out how meal allowances. See the following website for the most recent guidelines: <http://law.ato.gov.au/atolaw/view.htm?DocID=TXD/TD201217/NAT/ATO/00001&PiT=99991231235958>. The relevant amounts are the amounts outlined for “breakfast, lunch and dinner” in the tables.

### Overnight allowances

The RTBU may pay officials, staff or delegates an overnight allowance for each night they are away from home. The allowance is compensation for the sufferance and inconvenience of being away from home, and is paid in accordance with resolutions of National/ Branch Executives.

An allowance sheet is completed and processed in accordance with the payroll as outlined above.

### **Reimbursement of other staff expenses**

Where an official or staff member incurs a reasonable work related expense, the RTBU reimburses the amount of the expense.

Reasonable work related expenses covered include, but are not limited to:

- Parking – Where officials or staff are required to pay for parking to attend work related meetings or events. Note that parking is not covered unless a staff member has been required to drive to work for work related reasons, and no RTBU parking is available
- Train and bus travel – Where officials or staff are required to pay for train or bus travel to attend work related meetings or events
- Food and beverages – Where staff and officials have been required to purchase food or beverages for a work meeting, reasonable expenses are covered.

### **Expenses that include personal use**

Other expenses including but not limited to home phone and internet bills may be reimbursed by the RTBU as part of an officer or employees' employment conditions.

The Office Manager / Administrator ensures that all fringe benefits tax implications of these payments are addressed.

Expenses are to be incurred in line with the Procurement Policy. Where reasonable to do so, the staff member or official seeks approval from the Office Manager / Administrator or National / Branch Secretary before the expense is incurred. The official or staff member must complete an Expenses Reimbursement Sheet, attach the appropriate receipts and provides this to the Office Manager / Administrator for processing as part of the payroll process.

## 12. Petty cash

Petty cash is designed to meet minor expenses on a day-to-day basis. As cash on the premises, petty cash is an easy source of fraud, so controls are important.

### Petty cash administration

The Office Manager / Administrator administers petty cash. Petty cash is kept in a separate tin in a locked cabinet, the access to which is controlled by the Office Manager / Administrator. No other funds are kept in the same tin. Cash must not be taken out of the petty cash tin without authorisation from the Office Manager / Administrator.

When the Office Manager / Administrator is absent on leave, the replacement or the National/ Branch Secretary administers petty cash.

The petty cash float is a maximum of \$1000.

Petty cash is reconciled at least monthly.

### Use of petty cash

Petty cash is only used for minor expenses and for urgent items under \$50 in value, such as:

- Postage
- Stationery
- Minor staff travel
- Staff amenities
- General meeting expenses.

Purchases need to follow the same process of approval outlined in the Procurement Policy.

The process for petty cash is as follows:

1. When petty cash is required for a minor or urgent expense, the relevant staff member completes a Petty Cash Form, outlining the nature of the purchase
2. The staff member provides the Petty Cash Form to the Office Manager / Administrator and seeks petty cash funds
3. The item is purchased and a receipt obtained
4. The staff member provides the Office Manager / Administrator with a copy of the receipt and any change.

## 13. Asset Management

This Policy sets out the practices of the RTBU in relation to the purchase, depreciation, divestment and disposal of assets.

### Financial recording for assets

**Major assets** are classified as items with a purchase price greater than \$1,000. These assets are capitalised when purchased and depreciated over their useful life. They are tracked on an Asset Register.

**Minor assets** are classified as items with a purchase price less than \$1,000. These items are expensed in the period in which they are bought.

All assets are purchased in line with the Procurement Policy.

The Office Manager / Administrator maintains an Asset Register and updates it when a new major asset is acquired or disposed of. They also develop and maintain a Depreciation Schedule for each major asset.

The **Asset Register** includes the following details for all major assets:

- Comprehensive description of the item including any manufacturers' serial number or other identifying numbers
- Name of supplier
- Date of purchase
- Cost of purchase (excluding GST)
- Location of the item
- Asset number issued to the item
- Invoice number
- Purchase journal number for reference to the accounting system.

The **Depreciation Schedule** includes the following details:

- Identifying information about the asset
- Cost of the asset
- Opening written down value  
(cost minus accumulated depreciation)
- Type/class of asset
- Effective life of the asset
- Method of depreciation  
(straight line or diminishing cost)
- Depreciation rate.

The Asset Register and Depreciation Schedule are updated quarterly.

### Purchase of Major Assets

Major assets are purchased in accordance with the Procurement Policy and approved capital budget.

When the asset is delivered the Office Manager / Administrator is informed. The Office Manager / Administrator ensures that the item is tagged with an Asset Number and is listed on the Asset Register.

Intangible assets such as software, licences and goodwill should be accounted for in the same way as tangible assets, tracked on the Asset Register and amortised over their useful life.

## Depreciation

The Asset Register and Depreciation Schedule are used to calculate and reconcile depreciation for each asset.

Depreciation rates are based on the Australian Tax Office's effective life estimates, and depreciation is adjusted each year.

The Australian Tax Office provides a schedule of effective life estimates for many kinds of asset. The most current ruling is TR 2012/2, and can be found at: <http://law.ato.gov.au/atolaw/view.htm?DocID=TXR/TR20122/NAT/ATO/00001&PiT=99991231235958>

Depreciation should be adjusted as part of the annual accounting and audit process.

## Disposals

Assets are only disposed of when they are no longer needed by the RTBU. Written approval of the National/Branch Secretary - or appropriate Divisional officer in accordance with the RTBU Rules - and at least one member of the Audit and Compliance Committee is required for such disposal.

Disposals are conducted so that the best return to the RTBU is achieved.

Items of appreciable market value of at least \$500 are to be sold by public or online auction, trade-in or by other such method approved by the National/Branch Secretary. Any profit or loss that results from the disposal of the asset is recorded in the accounting system. Any GST implications are also recorded.

Items of market value of at least \$500 that can be reused or recycled are given to the Australian Council of Trade Unions, local trades and labour councils or a registered charity for distribution as they see fit.

Items of no appreciable market value or of value less than \$500 that cannot be reused or recycled are disposed of by dumping at approved refuse sites or by destruction.

Any items sought to be purchased by an official or employee of the RTBU must first be independently valued using a process approved by the National/Branch Secretary and undertaken by the Office Manager / Administrator.

The disposal of the assets and the manner of their disposal is recorded in the Asset Register and Depreciation Schedule.

## 14. Vehicles and equipment provided to staff

The RTBU provides cars and equipment to some officials and staff, in order for them to be able to conduct their work. This Policy outlines how vehicles and equipment can be used by RTBU officials and staff.

### Administration

The Office Manager / Administrator is responsible for the administration of RTBU equipment and cars.

When any RTBU equipment or vehicles are provided to officials or staff, this is recorded by the Office Manager / Administrator and signed by the official or staff member. The Office Manager / Administrator also records when officials or staff return equipment or cars and the official or staff member signs this.

The Office Manager / Administrator ensures that all fringe benefits tax implications of the personal use of vehicles and equipment are addressed.

### RTBU vehicles

#### Personal use of RTBU vehicles

Vehicles are allocated to some officials and staff as part of their employment conditions, which allow reasonable personal use of the vehicle. Where this is the case, officials and staff are entitled to use cars in line with their employment conditions.

Fuel bought using Union credit cards and fuel cards can also be used for reasonable personal use as per the Fuel Card policy.

Otherwise, RTBU vehicles, credit cards and fuel cards are only used for work related purposes.

### Maintenance

All RTBU vehicles require regular servicing.

Officials and staff with RTBU vehicles must ensure these vehicles are serviced whenever required, and must maintain the vehicle's appearance and mechanical operation to a high standard. Water, oil and tyre air are to be checked regularly.

### Accidents and incidents

All accidents or incidents involving RTBU vehicles should be reported to the Office Manager / Administrator as soon as possible after the incident regardless of fault. Details of the incident must also be provided.

Officials and employees must reimburse any out of pocket expenses incurred by the RTBU if an incident is found to be the fault of that individual.

### Parking

RTBU vehicles may be parked in RTBU spaces where available. The responsible official or staff member ensures that the vehicle is parked safely and lawfully wherever it is parked.

### Traffic infringements

Any traffic infringements that occur while driving a RTBU vehicle are the responsibility of the official or staff member to whom the vehicle is allocated.

### **Portable electronic devices**

Some officials and permanent staff are allocated RTBU portable electronic devices (PED) as part of their employment conditions.

All PEDs must be blocked for international calls and data roaming, unless otherwise authorised by the National / Branch Council for work related purposes. Reasonable personal usage of PEDs is allowed as part of officials and staff employment conditions. If costs are incurred that cannot be considered reasonable or appropriate, funds will be recovered by the RTBU and / or disciplinary action taken.

All officials and staff ensure that their PEDs are used in accordance with the law including privacy, copyright, criminal, work health and safety, and road traffic laws.

All officials and staff are responsible for keeping their PEDs in good condition.

Loss or theft of the PED should be reported to the Office Manager / Administrator and telephone provider as soon as possible. Accidental loss or damage will be individually assessed, but as a general guide, a one-off replacement may be borne by the Union at its discretion.

Security PINs etc should be applied to PEDs where possible, to protect work related and personal information, and prevent misuse.

### **Other RTBU equipment**

Unless authorised by the National/ Branch Secretary, personal use of other RTBU equipment is not allowed, unless included in employment conditions of the official or staff member.

All officials and staff in possession of RTBU equipment are responsible for:

- Maintaining it in good condition
- Lawful and responsible use
- Notifying the Office Manager / Administrator if it is lost, stolen or damaged.

## 15. Gifts, hospitality and entertainment

### Gifts and benefits

A “Gift” is an item of value (e.g. gift voucher, entertainment such as sporting tickets, hospitality, travel, commodity, property etc.) which one person or organisation presents to another. The purpose of the gift, to a certain extent, affects how it should be managed.

An officer or staff member of the Union will not:

- Solicit for private purposes any benefit in connection with that person’s official function and duties
- Accept any benefit for any official function or duties performed or not performed which could create an actual, perceived or potential conflict of interest.
- Accept any gift or money or benefit by way of loans and the like for any functions or duties performed or not performed
- Accept a gift of influence, being a gift that is intended to generally ingratiate the giver with the recipient for favourable treatment in the future
- Accept a monetary gift such as cash, cheques, money orders, traveller’s cheques, direct deposits, credit cards and the like
- Accept any gift where there is a commercial relationship between the union and another organisation. An inappropriate gift would include any item that might provide or be perceived as providing incentive for an officer or staff member to seek the services of a particular company.

An officer or staff member may accept a gift in the following circumstances, and where the gift is *not* from an employer:

- A gift with a value less than or equal to \$100, where it does not fall into a category mentioned above

- A token gift, being a gift that is offered in work situations to the Union or to staff representing the Union. Such gifts are often small office or business accessories (e.g. pens, calendars, folders) that contain a company or organisational logo. They are usually products that are mass-produced and not given as a personal gift.
- A gift of appreciation, being a gift that is generally given to express gratitude or thanks, such as flowers, chocolates and the like, in appreciation of performing a specific task or for performing duties in an exemplary manner.

Offers of gifts and/or benefits made to family members of employees to avoid the requirements of this policy will not be accepted.

Officers and staff members must notify the Office Manager / Administrator for inclusion in a Register of Reportable Gifts. This register is reviewed by the National/ Branch Secretary and Audit and Compliance Committee:

- All gifts and benefits received during a financial year with a total value in excess of \$100. This includes recurrent gifts from a person or organisation.
- All gifts from an entity controlled by the Union. For the purposes of this policy an entity controlled by the union is given the meaning as set out in the *Fair Work (Registered Organisations) Act 2009*.

The Office Manager / Administrator will maintain a register of Reportable Gifts. It will record:

- Details of the gift or benefit
- The date received
- The name, position titles and organisation involved.

## Hospitality and Entertainment

Officers and staff members will at times be offered hospitality (e.g. food and drinks) at work-related functions and similar activities, as part of their role in representing the Union or managing Union business. As a general rule it is acceptable for officers and staff members to accept modest offers of hospitality of the type that the Union itself would offer for similar activities. Officers and staff members should not accept extravagant hospitality, regular or frequent hospitality, or any hospitality designed to influence an employee's decision-making process.

Expenditure on entertainment and hospitality must be:

- For the Union's purposes
- Properly documented
- Approved by the National/ Branch Secretary
- Available for scrutiny by audit.

Expenditure for the sole purpose of entertaining Union staff is not permitted unless there are clear benefits in terms of training and/or staff morale such as:

- Staff retiring or resigning
- Reward or recognition of a notable achievement
- Recognised seasonal holidays
- National/ Branch Council or other Union events
- Days set aside for staff bonding or morale
- Staff meetings.

The provision of alcohol for entertainment and hospitality purposes is acceptable, but should be kept within prudent and reasonable limits, taking into consideration the nature of the function.

## 16. Accounts receivable

The Union is committed to ensuring all funds owing to it are collected in a timely manner. In the Union, the majority of accounts receivables include but are not limited to:

- Membership fees
- Grants and other external funding

The Office Manager / Administrator is responsible for monitoring amounts owing, through the management of an aged debtors listing.

Provisions are raised for amounts that may not be recoverable. Write-offs of bad debt are approved by the National/ Branch Secretary and reported to the Audit and Compliance Committee.

The National/ Branch Secretary must also approve credits issued against any amounts owing.

## 17. Insurance

The RTBU is committed to having appropriate insurance cover as a key risk mitigation strategy.

The Office Manager / Administrator ensures that the RTBU has the following insurances and that they are current:

- Building Insurance (where relevant)
- Office Contents Insurance
- Public Liability Insurance
- Workers Compensation insurance
- Comprehensive Car insurance for RTBU vehicles
- Professional Indemnity
- Office Bearers' or Directors' Liability Insurance that covers all members of the National / Branch Council and National/ Branch Executive, as well as the Audit and Compliance Committee.

In light of the high-risk nature of the Union environment, the National Office will request and keep copies of certificates of currency for Professional Indemnity and Office Bearers' / Directors Liability Insurances for the National Office and each Branch.

The Office Manager / Administrator reviews insurance policies two months before they expire, and recommends to the National/ Branch Secretary and the appropriate insurance provider for the next period of insurance. All insurance policies are purchased in accordance with the Procurement Policy.

It is noted that purchases of insurance policy are subject to scrutiny ahead of actual payment authorisation by the Audit and Compliance Committee.

Any incidents that may give rise to an insurance claim must be notified to the Office Manager / Administrator as soon as possible. These incidents may also be covered by alternate policies, for example the Vehicles and Equipment provided to Staff Policy and any RTBU policies around work health and safety.

 **MATRIX**  
  on BOARD



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