

Finance Policy

2.7.2016



The Co-operative's rules and by-laws take precedence over this policy. Financial management procedures are regularly reviewed and policy updated, so if in doubt check with the Treasurer.

Accounting Integrity

Co-op bank accounts are reconciled monthly to ensure payments and receipts are correctly recorded. A Treasurer's report is submitted to each monthly meeting. As a small co-operative, Goolawah has no statutory requirement for external audit, however accounts are submitted to an external auditor at financial year end to enhance probity.

Accounts for New Members

Before payment of share capital and joining fees by new members, the Treasurer must have their details so that a Co-op member account can be created to record the payments. New account information should include:

- Full name of each new shareholder.
- Current postal address (for billing purposes)
- Current mail address (for billing purposes)
- Invoices, statements and receipts are normally sent by email if an email address is provided
- Contact phone number
- Share number being purchased
- Name of current shareholder(s) who is/are selling.

The Treasurer should also be advised of the date of the community meeting at which membership is ratified so that the appropriate joining fee can be invoiced.

Member Account Details

Members must advise the Treasurer of changes to their email or postal address. Invoices, statements, receipts & overdue notices will be sent to the last known email or postal address.

Joint Share Ownership

In the case of joint ownership, both shareholders accept responsibility for payment of all levies. If a joint membership is dissolved, the Co-operative will not allow apportionment of levies or refunds between joint shareholders.

Share Capital Contribution

The Co-op's share capital contribution is \$7000 per share. It is refundable if a membership application is unsuccessful, and if a share is sold (less any unpaid levies).

Joining Fee

A joining fee is calculated on the basis of the total amount of member levies since inception of the Co-operative in 2000, up to and including the quarter in which new membership is ratified. It is refundable if a membership application is unsuccessful, but once membership is ratified it is not refundable.

Refunds

Refunds of share capital to leaving members are paid after ratification of a share transfer, or following instruction from Directors in the case of unsuccessful applicants; and with written advice from the shareholder(s) or applicant(s) regarding:

1. Preferred payment method - bank transfer or cheque
2. Current mailing address, if cheque
3. Current bank account details, if bank transfer

Death of a Member

A death certificate must be provided before the share can be sold or transferred to a beneficiary.

A joining fee is not required by the Co-operative when the share goes to a beneficiary.

If a share is sold following the death of a member any refund cheque will be made out to 'the estate of <name of deceased shareholder>' and mailed to the last known mailing address.

Levies & Charges

Levies apply to individual shares.

The \$500 **annual levy** is invoiced at \$125 quarterly, with 90 days to pay. It can be paid by community-approved work claims.

The \$180 **work levy** (18 hours at \$10) is billed annually on 1 July with 12 months to pay. Other levies (e.g. current \$500 Road Levy) are set at an Annual General Meeting and billed quarterly. Road levies cannot be paid by work claims.

A member with a visitor who stays longer than 28 days is invoiced \$10 per day, and for approved guests \$20 per week.

Incidental charges (e.g. slashing of a lot) are invoiced as they arise, with 30 days to pay.

Overdue Levies

The due date is shown on each invoice. Failure to pay the full amount by the due date can lead to:

1. A finance charge (1.5% per month) applied to overdue amounts and deducted from payments as they are received.
2. Ineligibility to vote at meetings (inactive membership).
3. Forfeiture of your share.

Payments

Payments are recorded as they appear in the Co-operative bank statement.

Finance charges from overdue invoices will be deducted from the payment upon receipt.

Members must identify which invoice(s) their payment applies to (last three digits of the invoice number is sufficient), otherwise payment is applied to invoices with the earliest due dates (most overdue). It is recommended to send payment details to the Treasurer by email or SMS.

Unidentified payments can be claimed by providing the precise date and amount of the payment.

Receipts are sent normally within 48 hours of appearing in the Co-operative bank account.

Work Claims

Work claims must be submitted for community approval on the Work Claim Form and received by the Treasurer 10 days prior to a meeting. Only work listed on the community job list is eligible, and should be submitted within 3 months. A receipt is issued to confirm that the claim has been processed.

Member Expense Reimbursements

Members are reimbursed for expenses incurred on behalf of the community, e.g. postage, stationery, fuel, spare parts, building materials.

- Expense claims must be accompanied by receipts where possible.
- Claims must be submitted within 3 months of the date of expense.
- Reimbursements of amounts less under \$100 may be accumulated and paid in a single transaction.
- Claims must include an itemised list with the following:
 - Who to reimburse
 - Date of purchase
 - Name of supplier
 - Description of item
 - Approved budget (if any)
 - Cost of item (including GST)
 - If no receipt available, a comment indicating 'no receipt'
 - Whether the reimbursement is to be paid by cheque, EFT, or applied to levies
 - Postal address for cheque or bank account details for EFT.
 - Expense reimbursements may be claimed by email (with scanned copies of receipts attached), or on paper to Treasurer or Secretary.

Purchase Orders

Community purchases over \$1000 require a purchase order number (issued by the Treasurer) to ensure funds are available. Until the purchase order number is issued, payment remains the personal responsibility of the member making the purchase.

Billing Cycle

Quarterly invoices for levies will be sent to members prior to 1 July, 1 October, 1 January, 1 April. Invoices for other charges will be sent as they arise.

Statements showing current account balance and unpaid invoices are sent by July 31, October 31, January 31 & 30 April.

Notices with overdue invoices are sent by 31 August, 30 November, 28 February, 31 May.

Account Queries

Monthly statements show unpaid and part-paid invoices, finance charges and total amount.

Members may request a more detailed statement showing all activity on their account over a specified date range. Account queries will only be considered if they relate to the current or previous financial year.