Finance Management Policy

Section 1 - Purpose

(1) This policy and supporting procedures set out Charles Sturt University's principles and requirements for budget centres and individuals with financial management responsibilities in relation to expenditure, procurement, use of corporate credit cards, credit losses and bad debts, stocktaking and other financial matters.

Scope

(2) This policy applies to all employees, students, contractors, visitors and other individuals where University funds are being used.

Section 2 - Glossary

(3) For the purpose of this policy:

a. Non-pecuniary interest/relationship – relates to a person having a personal or family relationship or other non-financial interest (such as involvement in a sporting, social or other cultural group or association) that may result in an actual or potential bias in the exercise of judgement or discretion.
b. Pecuniary interest/relationship – relates to a person having an actual or potential financial interest or affiliation.

Section 3 - Policy

Financial management

(4) The University is a public statutory body and its funds must be used consistently with functions of the University as specified in the Charles Sturt University Act.

(5) The University is publicly accountable for the use of its funds and all employees exercising financial authority under delegation are responsible for ensuring that approvals for expenditures comply with the University's Delegations and Authorisations Policy and other relevant policies, procedures and guidelines.

(6) University funds must be spent for the University's defined purposes and in the best interests of the University.

University expenditure principles and rules

(7) The following principles guide all University expenditure. All expenditure must be:

a. necessary to perform a valid business purpose consistent with the object and functions of the University. If required, individuals must be able to identify and justify the relationship and connection between the expenditure and the official business of the University,
b. reasonable and represent value for money in that the expenditure amount is not extreme, extravagant or excessive,

c. appropriate in that the expenditure is suitable and fitting in the context of the valid business purpose,
d. transparent, fair, equitable and ethical, in line with the University's public accountability responsibilities and to maintain public confidence in the University, and
e. allowable according to the terms of any regulation, law, contract, or University policy and procedures. There must be evidence that University procedures have been followed to demonstrate that a prudent and defensible decision to incur the expense has been made.

(8) Consistent with the guiding principles, the following rules apply to University expenditure:

a. University funds cannot be used for private purposes under any circumstances. Employees and others are entitled to the reimbursement of approved reasonable expenses they incur on behalf of the University in accordance with applicable policies, procedures and guidelines.
b. Research grants received by the University are University funds and must be used according to the specific purposes and conditions of the grants.
c. An employee cannot provide goods or services to the University in any capacity, outside of those provided through their employment relationship.
d. An employee or other individual cannot enter into a commitment for the supply of goods or the performance of services unless designated funds are available and the appropriate approval has been obtained, as set out in the Delegations and Authorisations Policy.
e. An employee approving expenditure must ensure they are familiar with the restrictions outlined in the Delegations and Authorisations Policy.
f. An employee cannot approve their own expenditures or expenditure which has been initiated by their supervisor, manager, or other higher position within the organisational unit. There must be a separation of roles for the purpose of initiating and approving expenditure and an employee must not:
    i. initiate an expenditure (through a purchase order, a travel request, a corporate credit card expense or any other means) and approve the expenditure, or
    ii. approve expenditure that is initiated (through a purchase order, a travel request, a corporate credit card expense or any other means) by their supervisor or another manager.
g. Notwithstanding clause 8f., certain positions may be authorised by Council or the Chancellor to approve expenditure by the Chancellor and Vice-Chancellor, or other members of the University leadership if necessary.
h. All expenditures must be properly documented in line with relevant University policies, procedures and processes.
i. An employee must not undertake negotiations or commit to contracts or arrangements in which they have a pecuniary relationship or significant non-pecuniary relationship (e.g. an immediate family member, outside professional activities, or other factors that would (actually or perceivably) predispose the employee towards favourable or prejudicial decision making) with any supplier. Other non-pecuniary interests must be managed as set out in the Conflict of Interest Procedure.
j. The concept of 'value for money' is not restricted to price alone and should include assessment of key factors like sustainability, quality, service and support, the total cost of ownership or activity and any other expenditures related to the item.

(9) Financial and expenditure delegations are conferred by the University Council through the Delegations and Authorisations Policy and the delegation schedules.

(10) Misuse of University funds and/or failure to comply with this policy or the supporting procedures may result in:

a. as authorised by the Chief Financial Officer:
    i. cancellation of corporate credit cards, or
    ii. expenditures being deemed as a private expense and individuals becoming liable for the expenditure,

b. as authorised or recommended by the Chief Operating Officer or Vice-Chancellor under the appropriate policy or legislation:
    i. withdrawal or restriction of delegations under the Delegations and Authorisations Policy,
    ii. the action being deemed a breach of the Code of Conduct and subject to any sanctions under that, and/or
    iii. legal or criminal proceedings.

University values and corporate social responsibilities

(11) The expenditure of University funds will:

a. be in line with the University's values. In particular, all procurement activity must endeavour to take into account and address the University's commitments to:
    i. engagement with and consideration of local community interests,
    ii. environmental and sustainability issues,
    iii. objectives identified in the University's reconciliation action plans,
    iv. gender equality, and
b. be compliant with the University's corporate social responsibilities, taking into account:
    i. health and safety, human rights,
    ii. ethical production processes, modern slavery,
    iii. fair trade, diversity
    iv. weighted advantage for local and First Nations owned vendors, and
    v. other social impacts of procurement processes in the selection of goods and services.

Use of University funds – supporting policies and procedures

(12) The following procedures set out further information to assist employees to manage University funds in accordance with this policy:

a. Finance Procedure - Procurement
b. Finance Procedure - Contractors and Consultants
c. Finance Procedure - Corporate Credit Cards
d. Finance Procedure - Expected Credit Losses and Bad Debts
e. Finance Procedure - Stocktaking Trading Enterprises
f. Finance Guidelines - Expenditures

(13) Other University policy texts that relate to use of University funds include:

a. Delegations and Authorisations Policy
b. Facilities and Premises Policy, Facilities and Premises Procedure - Access, Use and Security, and Facilities and Premises Procedure - Space Management
c. Travel Policy, Travel Procedure and Motor Vehicle Fleet Procedure
d. Delegation Schedule C - Finance

Section 4 - Procedures

(14) The following procedures support this policy:

a. Finance Procedure - Procurement
b. Finance Procedure - Contractors and Consultants
c. Finance Procedure - Corporate Credit Cards
d. Finance Procedure - Expected Credit Losses and Bad Debts
e. Finance Procedure - Stocktaking Trading Enterprises

Section 5 - Guidelines

(15) The following guidelines support this policy:

a. Finance Guidelines - Expenditures

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