



GOV02-2018-6	Finance Policy	11/2019
--------------	----------------	---------

Version Control	
V5	Mar-2019
V6	Nov-2019 Credit Card update

Purpose

The purpose of this Finance Policy is to ensure that World Urban Parks as appropriate practices and controls in place to ensure it can achieve its financial objectives, legal responsibilities and corporate vision.

This Policy will be further developed over time and will need to be considered in relationship to other Governance and Financial Policies of the Board.

Regular Bank Transfers for Secretariat and CEO Services:

- Variations in exchange rates during payment processing have caused delays and uncertainty regarding payments and value. Establishing a "fixed rate" arrangement for the upcoming financial year based on the average of the previous calendar year, would enable us to establish the budget for coming financial year (with certainty) and would provide administrative certainty in a processing sense as well as certainty for ARPA and CEO in regard to payments.
- We would review this if the actual rate varies by + or - 10% from the fixed rate. The Governance Portfolio would oversight the management of this policy.

Financial Policy – Fixed Exchange Rates:

- Establish a fixed exchange rate for payment of Secretariat Services for each Financial Year based on the average exchange rate for the previous calendar year.
- Establish a fixed exchange rate for payment of CEO Services for each Financial Year based on the average exchange rate for the previous calendar year.
- Establish a fixed exchange rate for Membership Services (NZD to USD) for each Financial Year based on the average exchange rate for the previous calendar year.
- These Fixed Exchanges Rates will be sourced from WUP Bank and approved by the Governance Portfolio

Invoices

Aged Debtor Issues:

There has been an accounting issue that has caused a range of problems with the management of Aged Debtors. It is proposed that when "Invoices" are sent out that they are raised as "Draft Invoices" in the accounting system and are only changed to "Invoice" once payment has been made. This approach will hopefully ensure the financial statements are more accurate and reflective of the possible cash position. This doesn't address the existing Bad Debtor items in the existing accounts. Invoices will still be issued to members as standard "Invoices" and not draft invoices.

Financial Policy – Invoices:

- Issue all Membership Invoices as Draft in the Financial System and only finalise the Invoice once payment has been received.
- Maintain a "Draft Invoice Register" and to be reconciled on a monthly basis with the Financial reports
- Invoices issued externally (to Members) will be marked as "Final invoice for payment"

Payment Card Security Policy

What information do we collect and how do we use it?

When you join World Urban Parks through this website, we need to know your name, e-mail, phone number, address and credit card details if paying by credit card. This allows us to process and fulfil your order successfully. It also helps us in maintaining your membership.

How does World Urban Parks protect customer information?

When you place orders, we use a secure server. The secure server software (SSL) encrypts all information you input before it is sent to us. Furthermore, all of the sensitive customer data we collect is protected by several layers of encryption and several layers of security to prevent unauthorised access. This Policy has been developed to be compliant with the European Union's (EU) Global Data Protection Regulation (GDPR) (2018). The GDPR is to protect EU data collected by businesses and organizations within the EU, but also outside the EU for EU citizens.

Credit Card Details

All credit card payments are processed securely through the SecurePay Payment Gateway and ANZ. Payment by credit card is the fastest way to process membership. World Urban Parks does not store any credit card information on our servers.

The use of browser Cookies

"Cookies" are small pieces of information that are stored by your browser on your computer's hard drive. Our cookies do not contain any personally identifying information. They allow you to place your order and to login once you are subscribed. Most Web browsers automatically accept cookies, but you can usually change your browser to prevent that. You will need cookies enabled to use the World Urban Parks website.

Your Consent

By using our website, you consent to the collection and use of this information by World Urban Parks. If we decide to change our privacy policy, we will post those changes on this page so that you are always aware of what information we collect, how we use it, and under what circumstances we disclose it.

Payment Gateway Info

Our payment options presently available are limited but, most importantly, safe and secure. Credit Card payments are made directly through a 128 bit SSL Encryption software to ensure your personal details are kept safe. None of your payment details are stored - this ensures you will be happy with the security of your transaction.

Breaches

Any suspected or perceived breach that payment card information has been disclosed, stolen, or misused must be immediately reported to the CEO World Urban Parks. Based on the investigative findings the CEO World Urban Parks will decide if other entities are required to be notified of the breach (e.g. card associations, merchant bank, cardholders).

Exemptions

Any request for an exemption from this policy should be referred to the CEO World Urban Parks for review and recommendation to the World Urban Parks Executive. Any such exemptions are to be fully documented and retained.

Bad Debt

Principles of Bad Debt Management

- If an invoice is not paid within 90 days, it will be considered as a Bad Debt.
- If at any stage a member clearly states that they don't wish to remain a member, the Bad Debt will be written-off
- Debts greater than 90 days and:
 - in the *Individual Membership Category* may be written off, dependent on circumstances.
 - in the *first two Organisational Membership Category* will be pursued via follow-ups each fortnight through the Membership Portfolio and Regional Chair and then maybe written off, dependent on circumstances
 - in *all other Membership Categories* will be pursued via follow-ups each fortnight through the Chair, CEO and Regional Chair and then maybe written off, dependent on circumstances
- A bad debt provision will be calculated at the year-end to be posted to the financial statements based on the following calculation:
 - Any debts over 120 days – 50%
 - Any debts over 150 days – 75%
 - Any debts over 180 days – 100%
- These threshold amounts will be reviewed regularly to ensure they reflect the natural cycle of debt management processes and are relevant to the World Urban Parks business model.

Year-end procedures for write-off

- During the financial year once it is established that debts are likely to be irrecoverable or uneconomic to pursue further the debt will be recommended for write-off.
- A final year-end report will be prepared for the Governance Portfolio and Audit program detailing all debts written off during the year and any outstanding items requiring approval for that financial year.

- A report will be provided to the Governance Portfolio when and if a Bad Debt is written off.

Writing off debt

- The delegated authority limits for the writing off of bad debts are:
 - The CEO can write off Bad Debts in the Individual Membership Category if all the requirements of the Policy are met.
 - The Governance Portfolio can off all Bad Debts if all the requirements of the Policy are met.

Misappropriation of Funds

Objective: To provide for appropriate action where WUP's funds have been misappropriated.

Procedures:

- On identification of funds being misappropriated the Chief Executive and Chairperson are to be notified immediately.
- Any individual accused of misappropriation of funds will be suspended immediately on full salary/wages until the completion of appropriate investigations.
 - Any investigations required will be conducted by an independently appointed authority.
 - Any individual found guilty of misappropriation of funds will have their employment with World Urban Parks terminated immediately.
 - World Urban Parks will pursue appropriate legal action for the recovery of any misappropriated funds.

Approval of Annual Financial Statements

Objective: To provide an approving mechanism for the Annual Financial Statements.

Procedures:

1. The Board of World Urban Parks is to formally confirm approval of the Annual Financial Statements.
2. On approval by the Board of the Annual Financial Statements, the Chairperson and Chief Executive have delegated authority to sign, for and on behalf of World Urban Parks, for inclusion in the World Urban Parks Annual Report.

Appointment of Auditor

Objective: To meet annual constitutional and legal requirements in terms of the Incorporated Societies Act 1908.

Context: The Annual General Meeting (AGM) confirms the appointment of the Auditor and the fixing of the Auditor's remuneration.

Procedures:

1. The Governance Portfolio, by April of each year, will recommend to the World Urban Parks Executive the engagement, payment and general management process for the Auditors Appointment for the coming new financial year. This motion will then be approved by the World Urban Parks Executive with the motion tabled at the following AGM.
2. The Governance Portfolio shall provide the terms of reference for the audit, accepting the fee structure and receiving the audit outcome and recommendations prior to the financial accounts close off date. The Governance Portfolio will report to the Board.

Insurance

Objective: To ensure that World Urban Parks, World Urban Parks Board and the World Urban Parks Staff are protected against actions, lawsuits or court costs through adequate insurance cover.

Procedures:

1. World Urban Parks shall hold, and ensure currency of the following insurances to protect the organisation, Board and staff from personal financial liability.
 - Association Liability Insurance
2. World Urban Parks shall budget annually for insurance cover.
3. World Urban Parks Governance Committee to be advised of all policy coverage on an annual basis by the Chief Executive.

Investment

Objective: World Urban Parks' investment assets are to be invested in such a way as to maximise long-term total returns consistent with prudent levels of risk, whilst maintaining sufficient liquidity to enable World Urban Parks to meet its day-to-day financial commitments. Recognising that these assets support World Urban Parks in meeting these commitments, returns should enhance the real value of the assets after the funds have been released to meet World Urban Parks' needs.

Procedures:

1. The CEO has the right and responsibility to invest all investable assets to achieve the maximum long-term return at a Registered Trading Bank or an Investment Arm of a Registered Trading Bank.
2. All other investments that are not with a Registered Trading Bank or an Investment Arm of a Registered Trading Bank must be approved by the Audit Committee.
3. The Chief Executive will be responsible for managing any day-to-day matters pertaining to the investments and determining where any investments shall be made provided that these are consistent with the Board's guidelines.

Reserve Fund

Objective: To provide protection in the event of an unexpected reduction in income.

Context: 2018 Revenue Strategy –

- 10% of all Membership Revenue above NZ\$250,000 per annum will be allocated to the Financial Reserve
- 10% of all Donations will be allocated to the Financial Reserve
- 5% of all Sponsorship will be allocated to the Financial Reserve

Procedures:

1. All accumulated Cash Reserve funds are to be placed in a Term Deposit to enable World Urban Parks to continue operation in the event of an operating deficit. The Term Deposit can also enable World Urban Parks to undertake projects and commitments not necessarily able to be funded from annual budgets should new business opportunities arise.
2. The Term Deposit should be sufficient to allow for 6 months of operation including all monthly/ongoing administration expenses and salaries. This fund will exclude any direct project expenses.
3. The Board is responsible for all approvals for funding from the Term Deposit and current delegated authorities guide approvals for expenditure.

Budgeting

Objective: The annual budget should be prepared reflecting a mix of ongoing operational requirements and World Urban Parks' strategic issues as identified in the strategic plan. The budget will reflect both expenditure and revenue projections.

Procedures:

1. The annual budget is a reflection of World Urban Parks' annual business and strategic plan.
2. The annual budget shall:

- 2.1. Contain sufficient detail and be appropriately supported by documentation to allow an accurate projection of revenue and expenditure.
 - 2.2. Comply with the Board's stated objectives and priorities.
 - 2.3. Shall comply with standard budget presentation formats.
 - 2.4. Cash Management to be reviewed by the World Urban Parks Executive every month
 - 2.5. Be reviewed by Governance Portfolio on a quarterly basis
- 3. The draft annual budget shall be prepared & recommendation by Governance Portfolio to be approved by the Board prior to 31 March.
 - 4. Revised budget subsequent to confirmation of funding to be recommended by the Governance Portfolio to the Board for approval.
 - 5. Budget alterations and deviations which affect the bottom line are only by Board approval.
 - 6. The Board need to be satisfied that it is reasonable for the variances to have occurred (reports will be scrutinised by the Governance Portfolio).

Authorised:	By Board at the November 2019 Meeting
-------------	---------------------------------------