



Partner Housing Australasia (Building) Incorporated
ABN 88 722 057 429 CFN: 15429
Web: www.partnerhousing.org
Pro-bono professional services and funding for South Pacific
village infrastructure, housing, water, sanitation and training.

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Partner Housing is a signatory to the ACFID Code of Conduct, which is a voluntary, self-regulatory sector code of good practice. As a signatory we are committed and fully adhere to the ACFID Code of Conduct, conducting our work with transparency, accountability and integrity.

Financial Management

**Including Budgeting, Financial Control, Accounting, Banking, Auditing,
Record-keeping, Anti-money-laundering, Procurement etc.**



Basis

These policies and procedures set out the means of complying with the requirements of the "Constitution, Policies & Code of Conduct" of Partner Housing Australasia (Building) Incorporated.

Signed

Rod Johnston
President / CEO / Public Officer
Partner Housing Australasia (Building) Incorporated

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Revisions

P21010115-1a 1 February 2022

Correction of minor typographical errors and minor modifications.
Change of name throughout to "Partner Housing Australasia".

Policy

Operating Plan and Budget

A current plan shall be prepared and adopted annually, including:

- (a) An annual operating budget
- (b) An annual resource development plan (land, money, volunteers and goods-in-kind)
- (c) A five-year plan including program goals. (The plan may cover a longer period if appropriate.)

Financial Reporting and Control

- 1) The Board shall meet at least four (4) times per year, once in each quarter at such place and time as the Board may determine.
- 2) Each Board meeting shall consider and deliberate the reports and financial statements related to the previous quarter, in addition to future plans and activities of the organisation.

Finances, Accounts and Audit

The finances and accounts of the Organisation shall be audited annually by a qualified and independent auditor and presented to the Annual General Meeting.

Availability of Documents

The "Constitution, Policies & Code of Conduct" and "Procedures" shall be made available for inspection and use as follows:

- (a) A printed copy shall be tabled at each Annual General Meeting,
- (b) An electronic copy shall be circulated to each Director as part of the Agenda of the Board Meeting immediately preceding the Annual General Meeting;
- (c) An electronic copy shall be posted to the public access part of the Organisation's website www.PartnerHousing.org.

Anti-fraud, Anti-corruption and Anti-money-laundering

- (a) Partner Housing Australasia is committed to playing its part in fighting fraud, corruption and money laundering, wherever it may occur.
- (b) Partner Housing Australasia shall ensure that the personnel responsible for raising funds, accepting donations and executing international programs are trained in the relevant aspects of anti-fraud, anti-corruption and anti-money-laundering laws and practices.
- (c) Partner Housing Australasia shall report any suspected fraud, corruption or money laundering to the appropriate police force and any other appropriate government instrumentality e.g. AUSTRAC.
- (d) At each Board Meeting, Directors shall be required to declare any conflict of interest or potential pecuniary gain. If such conflicts of gains exist, that person shall not participate in any deliberations on the matters.
- (e) Partner Housing Australasia shall refuse assistance or donation from organisations or person who is convicted (or reasonably suspected) of fraud, corruption or money laundering.
- (f) In the case of donations exceeding \$ 10,000, Partner Housing Australasia shall take steps to ensure that it is not an unwitting participant in fraud, corruption or money-laundering.
- (g) When considering donations in excess of \$ 10,000, Partner Housing Australasia shall consult the appropriate part of the DFAT website.

- (h) When considering donations in excess of \$ 10,000, an experienced certified anti-money-laundering specialist (who has particular experience in government requirements and anti-money laundering) shall be engaged to carry out the necessary due diligence and to undertake rigorous checks that adhere to both the letter and spirit of the requirements of AUSTRAC, ATO (Australian Taxation Office), DFAT (Department of Foreign Affairs and Trade) and AFP (Australian Federal Police).
- (i) When so engaged, the Certified Anti-Money Laundering Specialist shall -
- (i) Determine the relevant reporting requirements (if any) Austrac, ATO (Australian Taxation Office), DFAT (Department of Foreign Affairs and Trade) and AFP (Australian Federal Police).
 - (ii) Determine the restrictions (in any) in respect of receiving, transferring and expending such a donation, as may be applied by Austrac, ATO, DFAT and AFP.
 - (iii) Obtain the necessary paperwork required for the due diligence and anti-money-laundering process.
 - (iv) Determine whether Partner Housing Australasia's Auditor is aware of any particular restrictions on receiving and processing each Significant Donation.
 - (v) Advise Partner Housing Australasia of the appropriate course of action.
- (j) Before accepting large donations, Partner Housing Australasia shall enter in to a Memorandum of Understanding (MOU) with any Donor. The MOU shall have a sufficient cooling off period to allow the appropriate checks to be carried out.
- (k) The conditions of acceptance of any donation shall include (but are not limited to):
- There must be an agreed MOU and subsequent Contract with the Donor, which spells out in detail the responsibilities and authorities of Partner Housing Australasia, together with the specification of project deliverables.
 - Partner Housing Australasia must have control of donation expenditure, within the limitations of the MOU and Contract.
 - Partner Housing Australasia (through its consultants) must control the design and construction; and
 - Partner Housing Australasia will only accept the donation providing it meets the requirements of Austrac, ATO, DFAT, AFP and ACFID.

Procedures

Operating Plan and Budget

Policy

A current plan shall be prepared and adopted annually, including:

- (a) An annual operating budget
- (b) An annual resource development plan (land, money, volunteers and goods-in-kind)
- (c) A five-year plan including program goals. (The plan may cover a longer period if appropriate.)

Responsible Personnel

Chief Executive Officer, Resource Development Manager, Regional Managers

Background

Partner Housing Australasia actively participates in international housing and associated infrastructure programs.

This is achieved through the activities of the Building program (whereby building and remediation programs in Asia-Pacific countries are supported with funding, mentoring and professional services) and the Profession Services program (whereby other NGOs in Asia-Pacific countries are supported with pro-bono design and technical services).

The extent of this assistance shall be at the discretion of the Board.

Partner Housing Australasia's principal mission is in designing and building simple, decent, affordable housing and reliable village infrastructure that relate directly to the improvement of the daily lives of poor people in villages in developing countries. This includes:

- Houses
- Village community centres
- Village schools
- Village clinics
- Access roads to the above
- Water collection (e.g. wells & tanks) and reticulation to the above
- Septic systems and latrines to the above
- Hospitals

Note – Although not specifically stated in the “Constitution, Policies & Code of Conduct” document, the policy is interpreted as meaning that commercial ventures and structures for major government institutions should not be included in pro-bono work, since these are normally funded by major corporations or governments, i.e. exclude:

- Shopping centres
- Hotels
- Factories
- Offices
- Entertainment
- Major roads
- Dams

Refer also to the policy and procedure for Non-development Activity.

Procedures

An Operating Plan and Budget, covering the forward financial year and forward five (up to ten) year period shall be prepared and adopted at each February Board Meeting.

The Operating Plan and Budget shall consider:

- Current forward commitments.
- Expected additional commitments.
- Expected annual expenditure.
- Availability of cash reserves and expected cash flow.
- Availability of professional resources, volunteers and goods-in-kind.

Financial Reporting and Control

Policy

- 1) The Board shall meet at least four (4) times per year, once in each quarter at such place and time as the Board may determine.
- 2) Each Board meeting shall consider and deliberate the reports and financial statements related to the previous quarter, in addition to future plans and activities of the organisation.

Responsible Personnel

Chief Executive Officer, Finance Manager

Procedure

Overview of Bookkeeping and Reporting Functions

1. PHA currently pays for a basic Xero licence. This is used by the Treasurer/Finance Manager for our basic bookkeeping functions (including the PHA Solomon Islands and Vanuatu Accounts), and has the advantage of being compatible with the system used by our auditors.
2. As part of our ongoing monitoring / auditing role, PHA monitors the bank accounts of its partners.
3. However, Xero is too limited for the preparation of the Annual Financial Statement or the Annual Report KPI performance indicators, in the format required by ATO, ACFID and DFAT. Therefore, the data is transferred from Xero to Excel to prepare –
 - PHA Annual Financial Statement,
 - PHA Annual Report.

Although Point 2 appears to be a complication, it is necessary for proper control within the organisation. If PHA only operated Xero, the Treasurer/Finance Manager, and not the President/CEO, would have to assume responsibility for the preparation of the Annual Financial Statement or the Annual Report KPI performance

SRCA

Further to probono account-keeping (by Xero or other package), PHA offers (as per current practice) to prepare the –

- SRCA Annual Financial Statement,
- SRCA Annual Report,
- SRCA AGM Business Papers, and
- SRCA AGM Minutes.

This is a service that is an optional additional PHA service to SRCA, further to the bookkeeping (by Xero or any other package). This option is helpful to both SRCA (who will need to have these documents) and to PHA (who need to be confident that they are done in a manner consistent with DFAT / ACFID requirements).

General Requirements

The responsible officer shall carry out the following activities, as detailed below.

- keep formal accounts, recording income and expenditure on a quarterly basis
- present the quarterly accounts to the Board meeting
- present a trial balance sheet to each quarterly Board meeting
- obtain approval for expected significant purchases.

Expenditure Approval Process

Before expenditure of funds are expended (payment of invoices, outgoing donation or transfer of funds to international partners), the Expenditure Approvals shall be obtained. The Expenditure Approval may be in the form of an email by the approving parties.

The following authorities to approve each expenditure, donations, transfers, establishment of new payees are granted.

Expenditure that may be made by personal cash, personal credit card, cheque or bank transfer

Expenditure (including petty cash) up to \$ 3,000 in any one payment and \$ 10,000 in any year – Any Director, provided the Board is notified and any claim for reimbursement is made before the next scheduled Board Meeting.

Expenditure that must be made by Partner Housing Australasia cheque or bank transfer

- (a) Expenditure over \$ 3,000 and up to \$ 6,000 in any one payment and up to \$ 20,000 in any year – Responsible Director + another Director ... OR Level (b) below –
- (b) Expenditure over \$ 6,000 and up to \$ 60,000 in any one payment and up to \$ 100,000 in any year – Responsible Director + President/CEO ... OR Level (c) below –
- (c) Expenditure in excess of \$ 60,000 in any one payment and unlimited in any year – Board approval of the budget (or majority of Directors) + Responsible Director + President/CEO

The Responsible Director for an overseas project is the Regional Manager for that project.

The Responsible Director for Australian administration costs is the Administration Manager.

The Responsible Director for ACFID costs is the Professional Services Manager.

Additional expenditure resulting from fluctuations in the international exchange rate, up to 10% of an amount previously approved by the Board, may be approved without first obtaining further Board approval.

If the President/CEO is unavailable, the Vice President may assume the appropriate responsibility.

Except through Board Meetings, the personnel “operating” the bank accounts (i.e., Treasurer/Finance Manager and the HR Manager) are not normally involved in the “Expenditure Approval Process”.

Authority to Operate Bank Accounts to make Payments, Donations and Transfers

The following authorities are granted to carry out the following banking functions, together with one other signatory.

Two people from the same family shall not both have simultaneous authority to operate any of the bank accounts.

On-line banking authorisations

Banking Authorities													
In all cases, two authorised signatories are required.	Chief Executive Officer	Resource Development Manager	Administration Manager	Finance Manager	HR Manager	Development, Training & Publications Manager	Communications Manager	Professional Services Manager	South Pacific Development Manager	Regional Manager PNG	Regional Manager Solomon Islands	Regional Manager Vanuatu	Construction Business Manager
	Rod Johnston	Bill Ryan	Arthur Gray	Jenny Turner	Robyn Johnston	Alison Scotland	Nicola Smart	Bruce Hutchison	David Kaunitz	Ian Volke	Ian Warren	Evy Anwar	Peter Cheers

The person (with one other authorised approver) is authorised to make deposits to and approved payments from the following accounts, up to specified limits (total of all transactions per day)

032-173 440019 Cheque Account	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
032-087 240272 Cash Reserves Operating A	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
032-087 264637 Cash Reserves Overseas A	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
032-087 371096 Solomon Islands Project Ac	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	\$ 20,000	Nil	\$ 20,000	Nil	Nil
032-285 697492 Vanuatu Project Account	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	\$ 20,000	Nil	Nil	\$ 20,000	\$ 20,000
032-087 301020 Cash Reserves Australia Ac	Nil	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The person (with one other authorised approver) is authorised to make deposits to and withdrawals from the following accounts, up to the specified limits (total per term).

032-285 700647 Term Deposit	Nil	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
032-285 642352 Term Deposit	Nil	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other Term Deposit	Nil	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The person is authorised to carry out the specified other approved banking functions for the specified accounts. SIPA = Solomon Islands Project Account, VPA = Vanuatu Project Account.

Create payees		All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Maintain payees		All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Maintain payee groups		All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
View Quick Balance on mobile	All	All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
View & manage financial position	All	All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Stop cheques		All	All	All	All									
View Direct Entry Returned Payments	All	All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Manage BPAY View		All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Multiple payments		All	All	All	All					SIPA, VPA		SIPA	VPA	VPA
Templates		All	All	All	All									
Import files	All	All	All	All	All									
Administrator					All									
Senior Approver														

Bank Signatories for Cheques and In-Branch Activities

Jennifer Turner	Treasurer / Finance Manager
Robyn Johnston	Director / Human Resources Manager
Arthur Gray	Secretary / Administrative Manager
William Ryan	Vice President / Resource Development Manager

Definitions

The Responsible Director for an overseas project is the Regional Manager for that project.

The Responsible Director for Australian administration costs is the Administration Manager.

The Responsible Director for ACFID costs is the Professional Services Manager.

Notes on the Expenditure Approval Process and Banking Authorities

The Treasurer/Finance Manager and the HR Manager are not normally part of the Expenditure Approvals Process and therefore may be an approving party for bank transfers.

At least one Director who has not been part of the Expenditure Approval Process shall one of the people executing the bank payments.

If the Treasurer/Finance Manager is unavailable, the Human Resources Manager or Secretary/Administration Manager may assume the appropriate responsibility, provided they have not been one of the expenditure-approving parties.

Additional expenditure resulting from fluctuations in the international exchange rate, up to 10% of an amount previously approved by the Board, may be approved without first obtaining further Board approval.

If the President/CEO is unavailable, the Vice President may assume the appropriate responsibility.

Transfer to Funds to Partner Organisations

Execute an email requesting the transfer of funds to Partner Organisations, for particular projects, for which there is already formal approval by resolution at a Board Meeting, AGM or EGM. This request must be initiated and approved by email by the relevant Regional Manager.

Execute the transfer of additional funds (up to 10% of the amount previously approved for particular projects), for legitimate unforeseen circumstances such as movements in the exchange rate or unavoidable extra work. This request must be approved jointly by email by the Regional Manager, Finance Manager and CEO.

The request for the transfer of funds to Partner Organisations" shall nominate the Australian dollar amount to be transferred, together with an estimate of the local funds likely to be received into the recipient's bank account, the exchange rate and bank fees.

Obtain the relevant receipts from the Partner Organisations on payment.

Receive and file such receipts in a manner suitable for audit.

Advise the Board of such transfers at the next Board meeting.

Transfer of Funds to Overseas Suppliers

When preparing a Westpac international payment:

Don't rely on exchange rate from Google for your calculation as it does not factor in commission normally charged by banks. That is why the bank rate is less favourable than the rate from Google.

For accuracy refer to the Foreign Exchange Rates published daily by Westpac on the website.

As the exchange rates change daily, the daily rate that applies will only last a limited time; and will normally expire before 6 pm.

Therefore, there is a time constraint from setting up a payment to approval of payment – all have to be done within the same day.

Ensure beforehand at least one of other authorised Directors (Robyn Johnston or Arthur Gray) is available (e.g., non-availability due to travelling) to approve the payment on the day the payment is set up.

To allow enough time for the procedures in point 4, first establish the Westpac rate first instance in the morning (around 9 am); then set up the payment and advise Robyn Johnston by text message/phone (or Jenny Turner) for approval **as soon as possible** so that the transaction can be completed on the same day to prevent the transaction from being rejected.

Always check that there are enough funds in the bank account (after referring the Westpac rates) before setting up a payment.

For any large amount of payment, e.g., AUD \$5,000 or over, Partner Housing Australasia uses Compass Global to transfer funds overseas.

Anti-fraud and Anti-money-laundering Procedures

Money shall only be transferred internationally to established businesses (such as hardware suppliers, transport companies and the like), Partner Organisations or individuals who have been approved by the Board to receive such moneys.

All transactions shall comply with the relevant laws, taxation, counter-terrorism financing and anti-money-laundering legislation. Advice on these matters shall be sought from the organisation's Auditor and Solicitor. (See also procedures for Chief Executive Officer).

Transfers shall be executed only through established banks or approved currency traders (e.g., Compass Global Holdings Pty Ltd).

The bona-fides of such organisations shall be as resolved by the Board.

Use of Compass Global Holdings Pty Ltd to transfer funds internationally

Once Partner Housing Australasia personnel have completed the internal approval process, the Treasurer/Finance Manager is authorised to forward the request to Compass Global Markets to initiate the transfer.

Compass Global Holdings Pty Ltd ACN 159 256 014, Australian Financial Services Licence No. 426 810.
<http://www.compassmarkets.com> Phone +61 (2) 9283 9792.

Associated documentation:

Compass Global Markets Product Disclosure Statement

Compass Global Markets Client Agreement

Compass Global Markets Privacy Policy

Compass Global Markets Financial Services Guide.

The standard email format set out in "Requisition, Approval, Transfer Quotation, Comparison Quotation, Advice to Beneficiary, Receipt Request" shall be used.

Unsolicited Donations

Unsolicited donations made by individuals or companies specifically intended for particular programs, should be treated as extra to the normal Partner Housing Australasia commitments in the region.

When transferring unsolicited donations to the Partner Organisation, include the following text.

"Please find herein advice of the transfer of AUD \$ ####, raised by #### for purposes of the #### community building program. This is additional to the normal scheduled donations by Partner Housing Australasia (up to AUD ##### per annum, depending on the works being constructed)."

Exception: This principle should theoretically apply to the donations previously received for the Ranongga programs, although this is a little more complicated by the large AUD \$ 60,000 + \$ 6,000 donation received from DFAT. In this case treat those donations as the part of the "extra" approximate AUD \$ 54,000 + that has been budgeted for the current Ranongga / Vella program. i.e., Treat those donations as part of the Partner Housing Australasia additional commitment.

Compliance Monitoring

All transactions shall be reported quarterly to the Board. Acceptance of such accounts shall be by Board resolution on the advice of the President/CEO and Regional Manager.

Ensure expenditure is co-authorised by the specified Directors.

The "Request for the Transfer of Funds to Partner Organisations" is a special case of this process.

Advise and seek ratification by the Board of such expenditure (by listing it in the Quarterly Accounts for consideration at the next Board meeting).

Request the relevant Creditors to provide (by email or mail) formal receipts.

Receive and file such receipts in a manner suitable for audit.

Banking

Execute the banking and investment policy, keeping the balances within the following guidelines.

Manage all bank accounts.

Receive and examine the expenditure requests and approvals submitted by the designated managers for expenditure and other banking transactions. If all is in order,

co-sign the corresponding cheques, withdrawal slips, direct debits or banking transaction authorities; or co-authorise the corresponding on-line transaction.

When appropriate, direct the Human Resources Manager to make changes to the on-line banking arrangements.

Cheque Account 032-173 440019

Purpose: Cheque Account No 1 is used to receive deposits and make payments. Because this account does not earn interest, its balance shall be kept as low as practical by periodically transferring funds to the Cash Reserves Operating Account No 2. When funds are required to be sent to a Partner Organisation, the appropriate amount shall be transferred back into this Cheque Account No 1, before being transferred to the Partner Organisation. All donations sent to Partner Organisations shall be transferred from this Cheque Account.

Target Minimum Balance: \$ 1,000

Target Maximum Balance: \$ 50,000

Period of Investment: Unlimited

Probable Interest Rate: 0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Cash Reserves Operating Account 032-087 240272

Purpose: Cash Reserves Operating Account No 2 is used to hold sufficient funds to ensure adequate cash for operations while earning some interest (although the interest rate is significantly less than that on term deposits).

Target Minimum Balance: \$ 1,000

Target Maximum Balance: \$ 100,000

Period of Investment: Unlimited

Probable Interest Rate: 0.7% to 1.5%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Cash Reserves Overseas Aid Fund Account 032-4637 264637

Purpose: All tax-deductible donations received specifically for overseas projects shall be received into the Cash Reserves Account No 3 (Overseas Fund). [This is an ATO requirement]. If tax-deductible donations received for overseas projects are inadvertently received into another account, the exact amount shall be transferred into the Cash Reserves Account No 3 (Overseas Fund). The balance of the Cash Reserves Account No 3 (Overseas Fund) is shown in the Balance Sheet as a liability i.e., a commitment of Partner Housing Australasia to expend this money in the future on a suitable overseas project. Because Partner Housing Australasia donates (from Cheque Account No1) amounts well in excess of the tax-deductible donations received by the organisation (into the Cash Reserves Account No 3), it shall be permissible to periodically transfer amounts from the Cash Reserves Account No 3 (Overseas Fund) to the Cheque Account

No 1. In order to maximise interest and to minimise the overseas expenditure liability, the balance of the Cash Reserves Account No 3 (Overseas Fund) shall be maintained at a low level, preferably around \$ 100.

Target Minimum Balance: \$ 100

Target Maximum Balance: \$ 1,000

Period of Investment: Unlimited

Probable Interest Rate: Unspecified

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Cash Reserves Account Australia Fund Account 032-087 301020

Purpose: All tax-deductible donations for received specifically for Australian projects shall be received into the Cash Reserves Account #3 (Australia Fund). [This is an ATO requirement].

Note: Movements in this account are very unlikely.

If tax-deductible donations received specifically for Australian projects are inadvertently received into another account, the exact amount shall be transferred into the Cash Reserves Account #5 (Australia Fund).

When funds are required to be sent to a Partner Organisation, the appropriate amount shall be transferred back into this Cheque Account, before being transferred to the Partner Organisation.

Target Minimum Balance: \$ 10

Target Maximum Balance: \$ 100

Period of Investment: Unlimited.

Probable Interest Rate: 0.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Solomon Islands Project Account 032-087 371096

Purpose: The establishment of this account and its operation is intended to simplify the process of making and recording payments for the Solomon Islands Project. It is not intended for the reimbursement of costs incurred by Australian volunteers, who will receive payment via the Cheque Account.

Deposits into Solomon Islands Project Account shall be made when authorised by the Regional Manager - Solomon Islands (Ian Warren) and the President /CEO (Rod Johnston) in consultation with the Treasurer/Finance Manager (Jennifer Turner).

Although there can be several deposits each year, each deposit shall not exceed the greater of:

- Half of the budgeted amount for the financial year; and
- \$20,000.

Payments from the Solomon Islands Project Account may be made by two authorised signatories acting together, within the following limits:

All transactions shall be made on the email authorisation of both the Regional Manager - Solomon Islands (Ian Warren) and the President /CEO (Rod Johnston).

A report of all transactions, including advice on who has been added to the list of approved recipients, shall be included for Board approval at the next Board meeting.

The option to use Compass Global for large transfers is applicable.

Payments shall only be made to approved recipients. Approved recipients are SRCA, Tongs Corporation, Transol Limited and Franjiti Shipping. Other approved recipient may be added to this list though formal agreement by the Regional Manager - Solomon Islands and the President / CEO.

Target Minimum Balance: \$ 1,000

Target Maximum Balance: \$ 20,000

Period of Investment: Unlimited.

Probable Interest Rate: 0.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director), Ian Warren (Director), David Kaunitz (Director)

Required Signatories for Establishment and Withdrawals: Any two Authorised Signatories acting together. This account is normally operated by the Regional Manager – Solomon Islands.

Vanuatu Project Account 032-087 371096

Purpose: The establishment of this account and its operation is intended to simplify the process of making and recording payments for the Vanuatu Project. It is not intended for the reimbursement of costs incurred by Australian volunteers, who will receive payment via the Cheque Account.

Deposits into Vanuatu Project Account shall be made when authorised by the Regional Manager - Vanuatu (Evy Anwar) and the President /CEO (Rod Johnston) in consultation with the Treasurer/Finance Manager (Jennifer Turner).

Although there can be several deposits each year, each deposit shall not exceed the greater of:

Half of the budgeted amount for the financial year

\$50,000.

Payments from the Vanuatu Project Account shall be made by two authorised signatories acting together, within the following limits:

All transactions shall be made on the email authorisation of both the Regional Manager - Vanuatu (Evy Anwar) and the President /CEO (Rod Johnston).

A report of all transactions, including advice on who has been added to the list of approved recipients, shall be included for Board approval at the next Board meeting.

The option to use Compass Global for large transfers is applicable.

Payments shall only be made to approved recipients. Approved recipient may be added to this list though formal agreement by the Regional Manager - Solomon Islands and the President / CEO.

The transactions on this account shall be recorded on an Excel spreadsheet compatible with that current used for the recording of transactions of other accounts and using the coding shown in "Accounting".

Target Minimum Balance: \$ 1,000

Target Maximum Balance: \$ 50,000

Period of Investment: Unlimited.

Probable Interest Rate: 0.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director), Evy Anwar (Director), Peter Cheers (Director), David Kaunitz (Director)

Required Signatories for Establishment and Withdrawals: Any two Authorised Signatories acting together. This account is normally operated by the Regional Manager – Vanuatu.

Short Term Deposit

Purpose: Invest funds (that are not required for operation in less than 6 months from investment, but could be required for operations 12 months from investment) in a secure Bank Account that maximises the interest yield (net of costs) over the specified period.

Target Minimum Balance: \$ 100,000

Target Maximum Balance: \$ 110,000

Period of Investment: 6 months, but may be rolled over or closed at the end of the period.

Probable Interest Rate: 2.5% to 3.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Medium Term Deposit

Purpose: Invest funds (that are not required for operation in less than 12 months from investment, but could be required for operations 24 months from investment) in a secure Bank Account that maximises the interest yield (net of costs) over the specified period.

Target Minimum Balance: \$ 100,000

Target Maximum Balance: \$ 110,000

Period of Investment: 12 months, but may be rolled over or closed at the end of the period.

Probable Interest Rate: 2.6% to 3.5%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Long Term Deposit

Purpose: Invest funds (that are not required for operations in less than 24 months from investment) in a secure Bank Account that maximises the interest yield (net of costs) over the specified period.

Target Minimum Balance: \$ 100,000

Target Maximum Balance: \$ Unlimited

Period of Investment: 24 months, but may be rolled over or closed at the end of the period.

Probable Interest Rate: 2.8% to 4.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Vanuatu Short Term Deposit Account # As at 1/1/21, this account has not been opened yet.

Purpose: Invest funds (that are not required for the Vanuatu Project in less than 6 months from investment, but could be required for operations 12 months from investment) in a secure Bank Account that maximises the interest yield (net of costs) over the specified period.

Target Minimum Balance: \$ 100,000

Target Maximum Balance: \$ 510,000

Period of Investment: 6 months, but may be rolled over or closed at the end of the period.

Probable Interest Rate: 2.5% to 3.0%

Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)

Required Signatories for Establishment, Withdrawals and Rollovers: Any two Authorised Signatories

Vanuatu Medium Term Deposit Account # As at 1/1/21, this account has not been opened yet.

Purpose: Invest funds (that are not required for the Vanuatu Project in less than 12 months from investment, but could be required for operations 24 months from investment) in a secure Bank Account that maximises the interest yield (net of costs) over the specified period.

<p>Target Minimum Balance: \$ 100,000</p> <p>Target Maximum Balance: \$ Unlimited</p> <p>Period of Investment: 12 months, but may be rolled over or closed at the end of the period.</p> <p>Probable Interest Rate: 2.6% to 3.5%</p> <p>Authorised Signatories: Jennifer Turner (Treasurer), Arthur Gray (Secretary), Bill Ryan (Vice President), Robyn Johnston (Director)</p> <p>Required Signatories for Establishment, Withdrawals and Rollovers: <u>Any two</u> Authorised Signatories</p>
<p>Report to the CEO by email, all proposed bank transactions in excess of \$ 50,000.</p>
<p>Accounting</p> <p>Maintain all banking and accounting records, including accounts, cheque book and bank statements in a format suitable for auditing. Use the Excel Workbook "Partner Housing Australasia Accounts 16-17" (and subsequent versions) for this purpose. Use the chart of accounts in the Excel Workbook.</p>
<p>Mortgages</p> <p>Assist the Administration Manager in implement the mortgage redemption policy.</p>
<p>Quarterly Accounts</p> <p>Prepare and present the Quarterly Accounts to the Board, for approval at the following Board Meetings.</p> <p>December – First quarter (1 July to 30 September)</p> <p>February – Second quarter (1 October to 31 December)</p> <p>April – Third quarter (1 January to 31 March)</p> <p>July – Fourth quarter (1 April to 30 June)</p> <p>Documents to be presented to each Board Meeting are the Quarterly Accounts and Trial Balance Sheet, which shall be included in the Business Papers circulated to directors before the meeting.</p>
<p>Annual Accounts</p> <p>Prepare and present the Annual Accounts to the Board, for approval at the July Board Meeting.</p> <p>Present to the Board Meeting the draft Financial Statement and the draft Final Accounts.</p>
<p>Auditor</p> <p>Engage and brief the Auditor, providing the necessary accounts and records.</p> <p>Present the Auditor's Report to the December Board Meeting and the Annual General Meeting.</p>
<p>Budgeted Transaction</p> <p>Execute all approved and budgeted financial transactions. This includes payment to Habitat for Humanity Australia of \$ 3,040 quarterly.</p> <p>Execute minor expenditure or petty cash expenditure up to amount designated in <i>Authorities</i>.</p>
<p>Records of Financial Transactions</p> <p>Maintain a copy of all financial records in Xero accounting package, Excel Workbook and/or (where applicable) hard copy</p>

Finances, Accounts and Audit

Policy

The finances and accounts of the Organisation shall be audited annually by a qualified and independent auditor and presented to the Annual General Meeting.

Responsible Personnel

Finance Manager, Chief Executive Officer

Procedures

The responsible officer shall:

1. Before 1 July of each year, assemble all relevant financial, accounting material, project information and governance material into an "Accounts and Projects" file for the particular year, as listed below. Refer also the format of the file in Appendix 3.
 - Special Purpose Financial Report
 - Annual Report
 - Accounts
 - Bank Statements
 - Receipts for Donations Received
 - Receipts for Donations Made
 - Cheque Requisitions
 - BAS Statements
 - Mortgage Statements & Details
 - Project Details – Ranongga Community Association (Solomon Islands)
 - Project Details – Vision for Homes (PNG)
 - Project Details – Additional Project
 - Project Details – Additional Project
 - Minutes - Annual General Meeting
 - Nominations & Proxies - Annual General Meeting
 - Minutes - Board Meetings
2. Present the draft Special Purpose Financial Report, draft Annual Report and draft Accounts to the July Board Meeting for approval by the Board.
3. On obtaining Board approval, present the complete file to the Auditor for auditing.
4. Provide any further information requested by the Auditor.
5. Present the final audited Special Purpose Financial Report, Annual Report and Accounts to the December Board Meeting and December AGM for acceptance.
6. Complete all filing of all relevant documentation in the "Accounts and Projects" file for the particular year.
7. Commence a new "Accounts and Projects" file for the next financial year.

Availability of Documents

Policy

The “Constitution, Policies & Code of Conduct” and “Procedures” shall be made available for inspection and use as follows:

- (a) A printed copy shall be tabled at each Annual General Meeting,
- (b) An electronic copy shall be circulated to each Director as part of the Agenda of the Board Meeting immediately preceding the Annual General Meeting;
- (c) An electronic copy shall be posted to the public access part of the Organisation’s website www.PartnerHousing.org .

Responsible Personnel

Chief Executive Officer

Procedures

- (1) Establish and maintain a website for Partner Housing Australasia (Building) Incorporated, www.partnerhousing.org .
- (2) Post the “Constitution, Policies & Code of Conduct” and “Procedures” to the public part of the website.
- (3) Post confidential documents to the password-protected part of the website.
- (4) Print a copy the “Constitution, Policies & Code of Conduct” and “Procedures and table these at each Annual General Meeting,
- (5) Circulate an electronic copy the “Constitution, Policies & Code of Conduct” and “Procedures” to each Director as part of the Agenda of the Board Meeting immediately preceding the Annual General Meeting. Any Director who is newly elected at the AGM shall be sent
- (6) Include reference to the website in the Annual Report.

Note:

In the interests of transparency, these documents shall be made available free-of-charge to the public (including Directors, Members, Volunteers, Donors, Australian Partners, Overseas Partners and In-country Contacts) by posting it on the public access part of the Organisation’s website, www.partnerhousing.org and reference to the website in the Annual Report.

Anti-fraud, Anti-corruption and Anti-money-laundering

Policy

- (a) Partner Housing Australasia is committed to playing its part in fighting fraud, corruption and money laundering, wherever it may occur.
- (b) Partner Housing Australasia shall ensure that the personnel responsible for raising funds, accepting donations and executing international programs are trained in the relevant aspects of anti-fraud, anti-corruption and anti-money-laundering laws and practices.
- (c) Partner Housing Australasia shall report any suspected fraud, corruption or money laundering to the appropriate police force and any other appropriate government instrumentality e.g., AUSTRAC.
- (d) At each Board Meeting, Directors shall be required to declare any conflict of interest or potential pecuniary gain. If such conflicts of gains exist, that person shall not participate in any deliberations on the matters.
- (e) Partner Housing Australasia shall refuse assistance or donation from organisations or person who is convicted (or reasonably suspected) of fraud, corruption or money laundering.
- (f) In the case of donations exceeding \$ 10,000, Partner Housing Australasia shall take steps to ensure that it is not an unwitting participant in fraud, corruption or money-laundering.
- (g) When considering donations in excess of \$ 10,000, Partner Housing Australasia shall consult the appropriate part of the DFAT website.
- (h) When considering donations in excess of \$ 10,000, an experienced certified anti-money-laundering specialist (who has particular experience in government requirements and anti-money laundering) shall be engaged to carry out the necessary due diligence and to undertake rigorous checks that adhere to both the letter and spirit of the requirements of AUSTRAC, ATO (Australian Taxation Office), DFAT (Department of Foreign Affairs and Trade) and AFP (Australian Federal Police).
- (i) When so engaged, the Certified Anti-Money Laundering Specialist shall -
 - (i) Determine the relevant reporting requirements (if any) Austrac, ATO (Australian Taxation Office), DFAT (Department of Foreign Affairs and Trade) and AFP (Australian Federal Police).
 - (ii) Determine the restrictions (in any) in respect of receiving, transferring and expending such a donation, as may be applied by Austrac, ATO, DFAT and AFP.
 - (iii) Obtain the necessary paperwork required for the due diligence and anti-money-laundering process.
 - (iv) Determine whether Partner Housing Australasia's Auditor is aware of any particular restrictions on receiving and processing each Significant Donation.
 - (v) Advise Partner Housing Australasia of the appropriate course of action.
- (j) Before accepting large donations, Partner Housing Australasia shall enter in to a Memorandum of Understanding (MOU) with any Donor. The MOU shall have a sufficient cooling off period to allow the appropriate checks to be carried out.
- (k) The conditions of acceptance of any donation shall include (but are not limited to):
 - There must be an agreed MOU and subsequent Contract with the Donor, which spells out in detail the responsibilities and authorities of Partner Housing Australasia, together with the specification of project deliverables.
 - Partner Housing Australasia must have control of donation expenditure, within the limitations of the MOU and Contract.
 - Partner Housing Australasia (through its consultants) must control the design and construction; and
 - Partner Housing Australasia will only accept the donation providing it meets the requirements of Austrac, ATO, DFAT, AFP and ACFID.

Responsible Personnel

The personnel with specific tasks designated in the position descriptions, and/or most likely to be involved in implementation are Chief Executive Officer, Funding Manager and Finance Manager.

Procedures

Significant Donations are donations from a single source that exceed AUD \$ 10,000 in any single 12-month period. The Responsible Personnel shall engage the services of an accredited Certified Anti-Money Laundering Specialist, who has particular experience in government requirements and anti-money laundering procedures.

- (a) The Certified Anti-Money Laundering Specialist shall carry out the following due diligence process:
 - (i) Determine the relevant reporting requirements (if any) Austrac, ATO (Australian Taxation Office), DFAT (Department of Foreign Affairs and Trade) and AFP (Australian Federal Police).
 - (ii) Determine the restrictions (in any) in respect of receiving, transferring and expending such a donation, as may be applied by Austrac, ATO, DFAT and AFP.
 - (iii) Obtain the necessary paperwork required for the due diligence and anti-money-laundering process.
 - (iv) Determine whether Partner Housing Australasia's Auditor is aware of any particular restrictions on receiving and processing each Significant Donation.
- (b) Based on the progressive due diligence, Partner Housing Australasia shall sign an MOU with the Donor, including a cooling-off period, which enables the due-diligence process to proceed.
- (c) Depending on the outcome of the extended due diligence process, Partner Housing Australasia shall either:
 - (i) Accept the donation, preparing and signing a Contract (based on the MOU and the due diligence); or
 - (ii) Withdraw from the MOU.
- (d) The conditions of acceptance of the donation shall include (but are not limited to):
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- (e) Partner Housing Australasia prepare a Project Brief for the execution of the works. All work shall be in accordance with the Partner Housing Australasia Policies and Procedures. If appropriate, consideration shall be given to a mix of volunteer consultants and paid consultants.
- (f) Particular attention shall be paid to those parts of the Policies and Procedures dealing with conflict of interest and pecuniary gain by Members and Directors.

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Procedures

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