

Implementation Plan for Consultation – April 2018



FUTURE DIRECTION FOR VOLUNTEER FINANCE

Aim

To implement streamlined systems and procedures for CFS and SES volunteer finance in order to make it easier for volunteers to undertake purchasing and financial management roles; and improve compliance with legislative and policy requirements.

Introduction

The future direction for volunteer finance has been endorsed by both CFS and SES volunteers and is now moving to the implementation phase.

There will be some new processes for managing Budget Funds provided by CFS and SES that will apply to Groups and Units, such as the phasing out of floats. There will also be new processes to assist Groups, Units and Brigades that hold Local Funds sourced from fundraising and other community activities.

This implementation plan provides detail on when and how the new arrangements for volunteer finance will be implemented.

Most of the new arrangements will commence progressively from 1 June 2018 although some parts will take a little longer. For example, the new Volunteer Finance System that will be used to record Local Funds transactions is planned to be introduced in October 2018.

We will be encouraging the introduction of online banking for Local Funds that will make it easier for Groups, Brigades and Units to manage their funds and provide their bank statements to CFS and SES at 30 June. Reporting for this year at 30 June will still use the old forms but a new process linked to the new Volunteer Finance System will be introduced for future years.

Drafts of new information sheets to replace the old Volunteer Finance Manual and other guidance material will be rolled out progressively on the Volunteer Portal.

Your feedback is sought on the implementation plan and draft information sheets, so that we can continue to develop and refine these as we move into implementation.

Feedback can be provided directly to Rob Perry, Volunteer Finance Accountant at rob.perry@sa.gov.au or through your CFS Regional Volunteer Management Committee or the SES Executive Advisory Group where the implementation plan will be included as part of the agenda for their May meetings.

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KEY IMPLEMENTATION DATES FOR THE PROJECT

The following is a summary of the key implementation dates for the project.

Implementation Plan:	
Circulation of the Plan	April 2018
CFS RVMCs & SES EAG consultation	by 28 May

Pilot Testing:	
Pilot testing of processes with a Group and Units	April – May

Change processes:	
Information Sheets progressively released	from mid April
Groups/Brigades/Units to review the number of bank accounts they hold and their signatories	1 June - October
Introduction of Online Banking for Local Funds	1 June - October
Introduction of Electronic Funds Transfers (EFT)	1 June - October
Groups/Units to pay all Budget Funds invoices via SSSA	1 June - October
Groups/Units submit final Float Reimbursement Forms	by 15 June
Changing Financial Authorisers from nominees to positions	by 30 June
Approval of updated financial policies reflecting this plan	by 30 June
Approval of Information Sheets by Chief Officers	by 30 June
Float bank account reconciliation	from 23 July
Groups/Units to return Floats to CFS/SES	31 August
Groups/Units to review government credit cards required	1 June - October
Training sessions	from October

End of Year process - 2017-18:	
30 June Bank statement lodgement	23 July
Annual financial returns lodgement (A, B, C, D forms)	31 August

Volunteer Finance System:	
Expression of interest	Completed
Planned release	October

COMMUNICATIONS AND RESOURCES

Education and Training

Processes to implement changes will be circulated in the lead up to proposed implementation dates.

It is intended that a range of educational and training options will be developed for those involved in managing volunteer finances.

This will include Information Sheets (accessed via the Volunteer Portal), training sessions for Volunteers and Staff, Volunteer Newsletters, RVMCs and EAG committees and Online Learning packages.

If volunteers have specific concerns surrounding access to online systems (e.g. portal, banking etc.) they should make contact with staff at their Regional Office or directly with Rob Perry at rob.perry@sa.gov.au as soon as possible.

Resources

A pilot of the new processes will be undertaken during April and May with a selected Group including Brigades, and Units to test the changes to assist in identifying and resolving issues that arise before a general release.

There will be an opportunity for interested volunteers to assist in the education and training process such as train the trainer. Volunteers who are interested in being involved should contact Rob Perry at rob.perry@sa.gov.au.

OTHER PROJECT ITEMS

Volunteer Finance System

An Expression of Interest process has been completed for a new Volunteer Finance System with the responses providing information on what is available in the market that may meet our needs.

Planning is occurring for the Volunteer Finance System to be available in October.

Further information will be provided as it becomes available.

Australian Business Numbers (ABNs)

Current ABN registrations for Groups and Units remain active.

It is proposed that in general, Groups/Brigades/Units will use the ABN of their respective Agency (CFS or SES) for business transactions that require the quoting of an ABN. Examples where this applies include GST, supplier/customer referencing and banking.

Input will be sought from Groups and Units to ascertain what other use is made of Group/Unit ABN registrations to assist in determining whether these need to be maintained into the future.

Auditing Requirements

SAFECOM Finance is continuing to look at options to streamline audit requirements for the management of Local Funds.

There will be no future audit requirement for Budget Funds expenditure as all recording will be within the systems maintained by SSSA and accessed directly by the audit process.

Further information will be provided as it becomes available.

Tax Deductible Donations

SES (as a coordinating body) is endorsed as a Deductible Gift Recipient and the endorsement is used to administer the Welfare Fund.

Individual SES Units are not currently endorsed as Deductible Gift Recipients and cannot issue a DGR Tax Receipt. Units can still receive donations but they are not tax deductible and the Unit cannot issue a tax deductible receipt.

SES is investigating opportunities to establish a central tax deductible donation receiving facility for those occasions when a donor requests a DGR receipt for their donation. Further information will be provided as it becomes available.

CFS Groups and Brigades have not been endorsed as Deductible Gift Recipients since the previous endorsements were allowed to lapse following consultation with CFS volunteers in 2012.

CHANGE PROCESS GUIDE

The following tables provide summary details of the changes to processes to be adopted under the project. Information sheets will be circulated as the detailed guide to undertaking financial management activities.

Item	Circulation of the Implementation Plan
Timing	April 2018
Action by	Seeking to make GOs, UMs, Captains, Finance/Administrative Coordinators, Volunteer Associations and relevant CFS/SES staff aware of the Implementation Plan and provide an opportunity for feedback.
Distribution	The Implementation Plan will be available on the Volunteer Portal and sent to: <ul style="list-style-type: none"> • CFS RVMCs & SES EAG • GOs / UMs / Brigade Captains • CFS and SES Volunteer Associations • Regional Commanders • BSOs • DOs

Item	Information Sheets
Timing	from mid April
Action by	Seeking feedback from those involved in volunteer financial management, particularly Finance/Administrative Coordinators.
Source	Draft Information Sheets will be progressively released for feedback. The information sheets are designed to be used as practical how to guides and will replace the Volunteer Finance Manual. A list of proposed Information Sheets is included in this implementation plan. (See page 12) Available on: Volunteer Portal Links in Volunteer Newsletters Direct email to: GO's / UM's / Brigade Captains / Finance/Administrative Coordinators

Item	Communication
Timing	Ongoing for duration of project
Action by	SAFECOM Finance/CFS/SES
Channels	<p>Promotion of new volunteer finance processes through a number of different channels.</p> <p>Outbound: Email: Key Officers / Staff Volunteer Newsletters Volunteer Portal Agenda Item and attendance at May RVMCs / EAG Meeting with Regional/District staff and BSOs</p> <p>Inbound: Via RVMC's / EAG Via Regional staff Volunteer Finance Accountant (direct email)</p>

Item	Pilot Changes in a Group/Brigades/Units
Timing	April - May
Action by	Volunteer Finance Accountant and selected volunteers
Processes	<p>Desktop review of Information Sheets. Budget Funds Invoices to Shared Services SA for payment. Local payment of suppliers to be by credit card not cheque. Cease using Agency provided float. Final float claim submitted. Reconcile variance between float and bank account balance. Review bank accounts and establish online banking for Local Funds.</p>

Item	Financial Authorisations
Timing	by 30 June
Action by	SAFECOM Finance to seek approval from CFS and SES Chief Officers. Communication of change to Groups/Brigades/Units.
Current process	<p>Nominees to hold a Financial Authority to spend funds nominated as part of annual financial returns process. Financial delegation of \$3,000 (incl. GST) with purchases over \$1,500 requiring a purchase order to be raised by CFS/SES staff. Purchases over \$3,000 referred to Region for approval.</p>
New process	<p>Financial Authority to spend funds linked to volunteer position held e.g. Group Officers, Unit Managers, Brigade Captains, Finance and Administrative Coordinators (the draft Information Sheet will contain a full list). Financial delegation of \$3,000 (incl. GST). Purchases over \$3,000 referred to Region for approval. Bank account signatories should be selected from those positions with a Financial Authority.</p>

Item	Review of Transactional Bank Accounts
Timing	1 June - October
Action by	Groups/Brigades/Units that hold Local Funds to review the number of bank accounts that they operate and consider reducing this into a single Local Funds account for the Group/Brigade/Unit plus any investment accounts/term deposits.
Current process	In many cases, Local Funds are held in multiple transaction bank accounts: Operations / Fundraising / Donations / Special Purpose (e.g. Cadets / Auxiliary)
New process	Encourage adoption of a single transactional bank account for those Groups, Brigades and Units that hold Local Funds to reduce administration effort. It is envisaged that the New Volunteer Finance System will be able to maintain balances for special purposes/projects. Groups and Units will no longer require a separate bank account for agency floats of Budget Funds (as these are phased out) and this bank account can be retained for Local Funds. SES Units should retain their Donations bank accounts pending resolution of DGR requirements by SES. Guidance will be provided when available.

Item	Introduction of Online Banking for Local Funds
Timing	1 June - October
Action by	Groups/Brigades/Units that hold Local Funds to setup online banking with their banking provider.
Current process	Not applicable (reliance on paper statements).
New process	The introduction of online banking for Local Funds will require: <ul style="list-style-type: none"> • Administrative/Finance Coordinators to contact their Group/Brigade/Unit's banking provider to setup online banking requiring two approvers for any transaction. • Administrative/Finance Coordinators to establish sufficient authorisers from the account signatories with a financial authority to approve transactions (at least three authorisers is recommended).

Item	Introduction of Electronic Funds Transfers (EFT)
Timing	1 June - October
Action by	Groups/Brigades/Units that hold Local Funds can commence payments by EFT through online banking.
Current process	Payment by cheque requiring two signatories.
New process	<p>Local Funds payments by EFT will require:</p> <ul style="list-style-type: none"> • Administrative/Finance Coordinators to login to online banking and prepare payments for a second authoriser. • Administrative/Finance Coordinators will need to provide copies of invoices and other documentation that support the payments to a second person authorising the payment. • A second authoriser (with financial authority) will need to login to online banking to provide the second authorisation for the payment. <p>Payments will also need to be recorded (in the Volunteer Finance System once available) for reconciliation.</p>

Item	Paying invoices through Shared Services SA (SSSA)
Timing	1 June - October
Action by	<p>Groups and Units to commence paying supplier invoices from Budget Funds by submitting them directly to Shared Services SA (SSSA – an SA Government agency that processes accounts transactions).</p> <p>CFS and SES staff will need to code and approve these invoices in Basware (SSSA system) but this will be offset by no longer having to process float reimbursement summaries.</p>
Current process	<p>Budget Funds supplier invoices paid by a combination of:</p> <ul style="list-style-type: none"> • Cheque payment to supplier from float requiring two signatures, collation of invoices, bank reconciliation and preparation of a float reimbursement which is reviewed and approved by CFS/SES staff and the reimbursement paid through SSSA. • Invoices paid through SSSA (this occurs for many invoices in SES and some invoices paid directly by Regions in CFS) where CFS/SES staff code and approve the invoice in Basware which is paid by SSSA.
New process	<p>Budget Funds invoices paid by:</p> <ul style="list-style-type: none"> • Administrative/Finance Coordinators will need to code and sign a hard copy invoice to certify that the goods/services have been received. • The invoice is then scanned and emailed to SSSA. • CFS/SES staff will code and approve the invoice in Basware which is paid by SSSA.

Item	Withdrawal of Agency provided Floats
Timing	by 31 August
Action by	Groups/Brigades/Units that hold an Agency provided float will need to: <ul style="list-style-type: none"> • Submit final Float Reimbursement claims by 15 June. • May need to assist in explaining any variance between the float value and the 30 June operating bank account balance. • Return the floats by making a payment to CFS/SES by 31 August.
Current	Groups/Units (and selected Brigades not part of a Group) have been issued with an Agency Float from which to make Budget Funds purchases by cheque. Floats are reimbursed with a periodic float reimbursement process.
New Budget Funds process	No Agency Floats will be held locally by Groups/Units. Budget Funds purchases will be made by Government credit card or invoices paid through SSSA.

Item	Review Government Purchase Cards required
Timing	1 June - October
Action by	GOs/UMs to review requirements for government credit cards in consultation with their Region.
Budget Funds	Government credit cards will be the preferred method of payment for Budget Funds purchases up to \$1,500. Cardholders to be drawn from those positions holding a Financial Authority to spend funds (see Financial Authorisations). A minimum of two (2) cards should be issued within a Group/Unit to ensure payment availability. Cardholders will have an obligation to comply with government credit card requirements and will need to upload tax invoices and certify their transactions in an online system or smart phone application.
Local Funds	Government credit cards will only be issued for Budget Funds transactions. Local Funds credit cards were considered but will not be approved because appropriate controls would be difficult to establish when the cards are linked a large range of different local bank account types.

Item	Local Funds Petty Cash
Timing	Ongoing
Action by	Groups/Brigades/Units that hold Local Funds who choose to operate petty cash.
Current process	Petty Cash is an acceptable method to pay for low value supplies used by some Groups/Brigades/Units.
New Budget Funds process	Not applicable as Budget Funds will not be accessible as cash.
New Local Funds process	May be adopted at the discretion of Groups/Brigades/Units for low value purchases from Local Funds. Requirements will be established in a specific information sheet.

Item	End of Financial Year Process – 2017-18
Timing	30 June bank statements by 23 July Financial returns (A, B, C, D forms) by 31 August
Action by	Groups/Brigades/Units with bank accounts will be required to submit 30 June bank statements and financial returns using the same process as previous years.
Future	End of financial year reporting for future years is planned to be included in the functionality of the Volunteer Finance System.

INFORMATION SHEETS PROPOSED

The following is the proposed list of Information Sheets that will be circulated in draft form for comment.

If there are any other financial topics where Information Sheets may be useful, please provide feedback directly to Rob Perry, Volunteer Finance Accountant at rob.perry@sa.gov.au or through your CFS Regional Volunteer Management Committee or the SES Executive Advisory Group.

Applying to both Budget and Local Funds:

- Financial Authorisation
- Procurement – Purchasing
- Reimbursement of Volunteers, Groups/Brigades/Units
- Goods & Services Tax (GST)
- What is a valid tax invoice?
- Where to find additional information/help

Budget Funds Specific:

- Budget Funds Defined
- Managing budget allocations
- Government Purchase Card use
- Recording financial transactions
- Reporting financial transactions
- Paying invoices through Shared Services SA

Local Funds Specific:

- Local Funds Defined
- Managing Local Funds
- Recording financial transactions
- Reporting financial transactions
- Bank Account Management
- Online Banking
- Electronic Funds Transfers (EFTs)
- Petty Cash
- Local Funds income sources – Fundraising, Donations, Grants, other activities

Annexure 1

BUDGET FUNDS

Overview

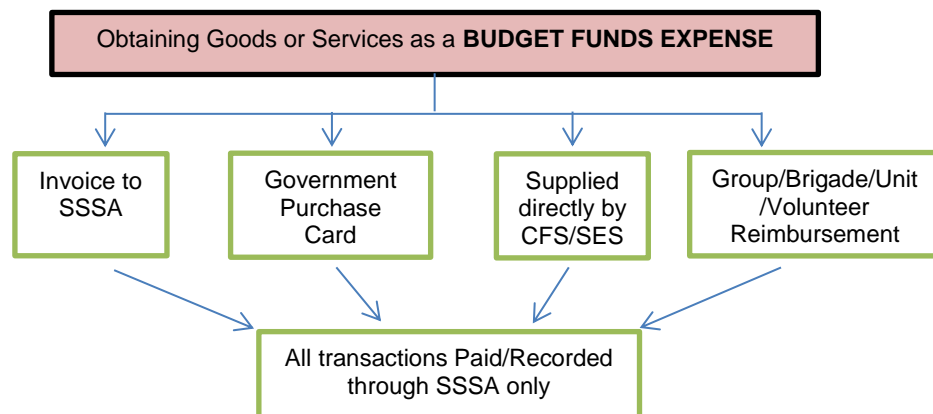
Budget Funds mean:

“Funds provided by an Agency for the running costs that relate to the provision of front line services as specified in the Agency budget allocation for a CFS Group or SES Unit.

CFS Group Officers and SES Unit Managers are responsible for managing expenditure to the budget allocation and the running costs are regularly monitored by the Agency.”

This applies to CFS Groups (and selected Brigades that are not within a Group structure) and SES Units that manage Budget Funds.

The following diagram shows the methodology by which Groups and Units obtain goods and services.



Annexure 2

LOCAL FUNDS

Overview

Local Funds mean:

“Local Funds are generated through the endeavours of CFS and SES members that are for the purpose of funding Group, Brigade or Unit activities, equipment and facility enhancements over and above the Agency budget allocation.

These funds are managed locally by Groups, Brigades and Units, however, reporting is required in Agency Financial Statements.”

This applies to Groups/Brigades/Units that hold Local Funds.

The following show the pathways for receiving and depositing money and for obtaining/paying for goods and services funded from Local Funds.

