FAMPARC Financial Management Policy (DRAFT)

1. Purpose

The purpose of this policy is to provide a framework for the prudent management of the Club's financial resources while ensuring that adequate funds are available for the Club's ongoing operations and future development.

2. Definitions

a. **Club** means the Frankston and Mornington Peninsula Amateur Radio Club Inc.
b. **Annual Budget** means the annual financial model, delivered in January, which projects the Club income and expenses for that financial year. The Annual Budget defines the Operating Budget and the Project Budget for that financial year.
c. **Operating Costs** means the recurring costs associated with the normal running of the club. Examples of operating costs include building insurance, contents insurance, internet access, annual donations and catering costs.
d. **Operating Budget** means the allocation of funds to meet the Operating Costs of the Club.
e. **Club Project** means an activity undertaken for a limited period of time to deliver a defined outcome or capability for the club. Examples of Club Projects include improvements to club equipment, radio infrastructure, building improvements, antennas or similar capital works.
f. **Project Budget** means the total allocation of funds to Club Projects in a given financial year.
g. **General Meeting** means the monthly business meeting held at the club room.

3. Financial principles

Low fees. To encourage full participation, membership fees shall remain modest when compared with fees at similar volunteer clubs.

Consolidated income. The Club shall manage all income as a single consolidated fund. Income may be derived from investment earnings, membership fees, donations, fundraising activities, sales, and any other lawful source of revenue.

Annual financial plan. Each January the Committee shall prepare an Annual Budget which allocates sufficient funds for the Club's Operating Costs. The remaining projected income shall be allocated to the Project Budget for that financial year.

4. Preservation of capital

The capital invested in the Club's term deposit is the legacy of previous generations of Club members. The Committee is committed to good stewardship of this legacy.

Any proposal to withdraw 5% or greater from the term deposit capital shall require approval by a majority vote of members present and entitled to vote at a General Meeting.

A withdrawal from the term deposit capital of less than 5% of its value shall require a majority vote of the Committee.

This clause only details the authority to withdraw capital from the Term Deposit account. Authority to expend those funds is covered by Section 7.

5. Sources of income

The Annual Budget may be funded from a combination of:

a. Interest earned on Club investments.
b. Membership fees.
c. Sale of Club property or surplus items.
d. Donations.
e. Fundraising activities.
f. Investment capital, when approved in accordance with Section 4.
g. Any other income received by the Club.

6. Annual Budget

Each January, the Committee shall prepare an Annual Budget and present it at the first General Meeting of members for approval.

The Annual Budget shall comprise an Operating Budget and a Project Budget.

The Operating Budget shall define:

a. Estimated income.
b. Estimated Operating Costs.

The Project Budget shall be funded by the residual estimated income in the Annual Budget after Operating Costs have been satisfied.

The Committee may recommend amendments to the Annual Budget during the year if circumstances require. Any amendments shall be presented to a General Meeting for approval.

7. Purchasing Authority

7.1. Operating expenses

a. The Committee may expend funds for any item approved in the Operating Budget.
b. The Committee may expend funds up to and including **$600** for any individual Operating Cost not anticipated in the current Operating Budget.
c. Any unanticipated Operating Cost exceeding **$600** shall require approval by the members at a General Meeting before the expenditure is committed.

7.2. Project Budget expenditure

a. The Committee may expend funds up to and including **$600** for any individual Club Project purchase.
b. Any individual Club project purchase exceeding **$600** shall require approval by the members at a General Meeting before the expenditure is committed.

7.3. Emergency expenditure

Notwithstanding the purchasing limits specified in this policy, the Committee may authorise expenditure exceeding the approval threshold where immediate action is necessary to:

a. protect Club assets;
b. restore or maintain essential Club services or equipment;
c. comply with legal or regulatory requirements; or
d. prevent the Club from incurring greater financial loss through delay.

Wherever practicable, the Committee shall obtain competitive quotations before approving such expenditure.

Any expenditure authorised under this clause shall be reported to the next General Meeting, together with the reasons for the expenditure and the amount incurred.

8. Policy Review

This policy shall be reviewed periodically by the Committee to ensure that it continues to meet the financial management needs of the Club. Any proposed amendments shall be submitted to the members for approval.