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DRAFT POLICY

Policy Title:

Expense Claims – Project

Policy Number:

B/181007

Subcommittee:

Board

Responsible Position:

Treasurer

Approval Authority:

Board

Revisions:

None

Errors or changes (please email): info@aliamos.org

1. Policy Statement

This policy includes project expense approval policies and procedures for processing and approving claims for project expenses relating to materials and transport (delivery) or local labour. It does not include project travel expenses or other project administration expenses (for these expenses see other policies). All volunteers (committee members, coordinators, directors, etc) acting on behalf of Aliamos when making or assessing projects must follow these policies and procedures to ensure Aliamos is accountable, legislative requirements are met, and donors receive the best service.

2. Reason for This Policy

Aliamos must maintain accountability for all expenses to ensure information is available for the ATO, Ausaid and auditors, and that our financial transactions are transparent and accountable. Aliamos is legally accountable to its donors (Collections Act 1996) and to the ATO and Ausaid. Consistent procedures for allocating project based donations will reduce the chance of project based expenses being misused or for claims for inappropriate project expenses. Where donors elect to fund projects, Aliamos guarantees 100% of these donations are allocated to appropriate project expenses directly in line with the company objects with 0% being used for administration of the project or Aliamos expenses. Proper procedures will also allow efforts to focus on the main purpose for conducting our business (ie. empowerment of communities and individuals, including donors).

3. Who Should Read This Policy

Anyone involved in Aliamos financial transactions for projects (international and domestic) including committee members, coordinators, directors, evaluators and auditors.

4. Related Documents

- Aliamos Expense Claims – Travel (Policy No. B121007)
- Aliamos Expense Claims – Administration (Policy No. #####)

5. The Policy

5.1. Definitions and scope.

- 5.1.1. These rules apply when claims are made for project expenses incurred (inside or outside Australia) are made by coordinators.
- 5.1.2. "Approved project expenses" includes expenses relating to materials, transport and local labour used to construct, build, create or otherwise directly contribute to the empowerment outcomes specified in the approved Empowerment Opportunity Information (EOI) form. The approved expenses are limited to the items included in the approved budget breakdown (project expenses) in the EOI. It does NOT include any other expenses incurred by volunteers, other NGO's, bank fees, Aliamos expenses, or any other expense not included on the approved EOI budget for that project.
- 5.1.3. "Available funds" is strictly limited to donations made to Aliamos specifically for that specific project or other funds diverted by board resolution to that specific project only. No donations made for other projects expenses are permitted to be used unless that project has been completed and the surplus is diverted by board resolution.

5.2. Record Keeping.

- 5.2.1. Coordinators must keep their project reporting up to date. Claims must NOT be approved if project reporting is not up to date in accordance with approved project policies.
- 5.2.2. All expenditure must be supported by receipts or expenditure statements and should be supported by photographic evidence, quotes and testimonials which must be included in periodic project update reporting.
- 5.2.3. Approval and transaction records must be copied to the records officer after the claim has been processed.

5.3. Claiming and approving expenses.

- 5.3.1. Funding will be approved on a stage by stage basis. This means that before any claims can be processed, "available funds" must be sufficient to cover the full budget requirements as specified in the approved EOI for all items in this stage of the project. In addition before items from future stages can be approved evidence of expenditure (or an explanation of why a budget allocated for previous stages has not been utilised) must be included in the update report. (This requirement is to ensure that the project progresses smoothly in increments which have whole and stable construction increments, independent of the timing of funding. For example a building structure should be built in one stage from foundations to roof to ensure the integrity of the structure is stabilised and not subject to deterioration if subject to delays in funding. Interior fixtures or additions could be in a later stage.)
- 5.3.2. Claims for project expenses must be made by the project coordinator (or delegate) on the approved claim form which must include details of –
 - the project,
 - the approved budget breakdown item being claimed,
 - the actual expense incurred (description and \$ as supported by records), and
 - the project travelex card, bank account, or card number.
- 5.3.3. Claims will only be approved for expenditure matched against an item on the approved EOI budget breakdown. For other items, application must be made through the update reporting process to amend the EOI budget breakdown and include items before any claims can be approved for these unstipulated items.
- 5.3.4. Expense claims are only for the reimbursement of actual cost. While it is expected funding claims may be required prior to purchase, the deductions from the project account must balance with receipts (or expenditure statements) to enable whole and complete update reporting. Failure to provide sufficient evidence of expenditure including the item and actual cost will jeopardise future expense claims.

- 5.3.5. Variation of actual cost from the approved budget is also anticipated as a result of local currency fluctuations due to inflation or minor price variations. An allowance of 20% or \$1000 total variation (whichever is smaller) from approved project expenses is permissible. Any variation outside this scope must be considered by the board. The coordinator must record any variation in the project update report. To ensure timely processing of expense claims the coordinator should seek pre-approval for any anticipated budget variation expected to be beyond the allowable limits.
- 5.3.6. The board (or delegate) must approve all claims. The coordinator must also ensure the project budget is updated and approved to reflect the claim.

END