**Andrew’s Slabs**

**Financial Policy and Procedures**

**Purpose**

The purpose of this policy is to provide clear guidelines for the handling of transactions for Andrew’s Slabs. These guidelines are such that that Andrew’s Slabs carries out all financial dealings in a way that ensures transparency, legislative compliance, the best value for money, complies with good management practices, probity and environmental performance.

**Scope**

This policy applies to all employees of Andrew’s Computers and to any external entity overseeing, or having any involvement in, the procurement or sale of goods and services for the Company.

**Objectives**

This document directs Andrew’s Slabs compliance with legislation and regulations relevant to trading practices, as well as standards and codes including the Australian Accounting Standards Board (AASB) codes of conduct**.**

General

When receiving goods, Accounts Clerks must ensure they counter-check this against the receipt record.

Fixed Assets

Each asset owned by the business is recorded separately in the asset register This records the following information about each item:

* Cost
* Location
* Identification
* Depreciation method
* Any other information relevant for the company

Depreciation is to be calculated either by the units of production method if units can be calculated in a straightforward manner. Otherwise depreciation is to be calculated by straight line depreciation. Andrew will decide which method will be used for each asset.

**Cash deposits and withdrawals**

Each day’s deposits and withdrawals are to be balanced daily.

Expenses are not to be paid from receipts prior to banking.

Cash is to be banked daily.

Cash from trading should be deposited into our banking facility by close of (the bank’s) trading on the following day.

All receipts and deposits are to be entered into the Cash Receipts Book within 24 hours of the deposit being made.

**Journals and Ledgers**

All journals must be approved by Andrew before being posted to the General Ledger. This is to be done via email to Andrew’s current email address, by emailing the journal entries made seeking approval for these to form part of the General Ledger.

**Credit**

This credit policy must be agreed to in writing by all customers before credit sales are allowed.

Credit limit of $2,000 per customer unless a different credit limit has been set by Andrew personally.

The customer is sent an invoice for transaction(s) at the end of the month of purchase(s).

Payment is expected within 30 days of the invoice date unless different payment terms have been set by Andrew personally.

Procedures:

30 days overdue:

A copy of the overdue invoice is sent out (with the invoice for any subsequent purchases made that month if there are any) with an “Overdue” sticker on it.

60 days overdue:

A copy of the overdue invoice is sent out (with the invoice for any subsequent purchases made that month if there are any) with an “Final Notice” sticker on it.

61 to 90 days overdue:

A telephone call is made to the customer, asking the reason for non-payment of the invoice(s) and when payment can be expected.

A debt recovery plan can be discussed with the customer.

No more credit is to be extended to this customer until the account has been settled.

91 days:

The customer’s account will be turned over to a collection agency.

**Doubtful and bad debts**

Debts of more than 61 days overdue are recorded as doubtful debts at month’s end.

Debts are written off after 91 days if payment cannot be collected by a debt collection agency.

**Data entry**

Entering data has two stages. The first is transferring the data, either from source documents or electronic sources, to the appropriate form. The second step involves carefully reviewing each data point to ensure that it is the same as the original. Any errors that are found are to be corrected immediately and noted.

**Errors**

If an error is found in entered data, go back to the source documents or data that contains the error, and double confirm with the people who provided you with the data

Confirm the error and its correction with a supervisor, the person who provided you the data, or the colleague who prepared the same financial reports in the previous months if it was not you.

**Filing Documents**

Bank receipts and withdrawal slips are to be filed with the day’s receipts.

Petty Cash reconciliation withdrawal slips are to be filed with the (approved) Petty Cash vouchers and Petty Cash receipts, batched and filed by month.

Electronic documents are to be named according to the subject matter of their contents, followed by the date.

They should be filed in a folder named after the responsible department (such as Accounting, Sales, or Products). If an appropriate folder does not exist, it can be created.

Both electronic and hard copy documents must be filed such that they can be easily located should an audit take place.