



FINANCE POLICIES

FINANCE POLICY 1

SUBJECT - Capitalisation and Depreciation of Non-Current Assets

1.1 Policy Purpose

The purpose of this policy is to provide appropriate accounting guidelines for the capitalisation and depreciation of Council assets.

1.2 Policy Objectives

- To provide consist approach in the capitalisation and depreciation of assets.
- To comply with Local Government Act Financial Management Regulations and provide clear guidelines for depreciation rates used to calculate figures in Council's annual and monthly financial reports.

2.1 Policy

It is Council policy that the following accounting policies shall apply for the capitalisation and depreciation of non-current assets.

Depreciation

Property, plant and equipment will be carried at cost. Items, property, plant and equipment, including buildings but excluding freehold land, are depreciated over their estimated useful life on a straight line basis according to the following table:

Land	Not Depreciated
Buildings	50 Years
Furniture and (Internal) Equipment	6 Years
- Computers, printers etc	3 Years
Light vehicles, if replacement is due every year	8 Years
every two years	10 Years
more than two years	10 Years
Light Plant and (External) Equipment	10 Years
Heavy Plant and (External) Equipment	15 Years

Freehold Land for Sale	Not Depreciated
<u>Infrastructure</u>	
Sealed Roads and Streets:	
- Clearing & Earthworks	Not Depreciated
- Pavement	50 Years
- Seal	20 Years
- Kerb	30 Years
Unsealed Roads and Streets:	
- Clearing & Earthworks	Not Depreciated
- Pavement	30 Years
Footpaths	50 Years
Drainage, Sewerage fixtures etc	50 Years
Other Infrastructure	50 Years

Assets are depreciated from the date of acquisition or in respect to internally constructed assets, from the time the asset is complete and held ready for use.

Depreciation on each asset is charged to the program to which the asset principally relates or, where possible, to the activity which the asset was actually used.

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner, which reflects the consumption of the service potential embodied in those assets.

Asset Capitalisation Thresholds

For reasons of practicality, the following materiality thresholds have been applied, below which any expenditure on assets need not be capitalised:

Land: all purchases are capitalised but land resumed for public works need not be capitalised if the resumption costs is less than \$2,000.

Buildings: expenses totaling less than \$2,000 on any one building in any year need not be capitalised.

Furniture and (internal) Equipment: expenses totaling less than \$1500 on any one item in any year need not be capitalised. Software is not capitalised.

Plant and (External) Equipment: expenses totaling less than \$2,000 on any one item in any year need not be capitalised.

Tools: expenses totaling less than \$1500 on any one item in any year need not be capitalised.

Freehold Land for Sale: all expenses are capitalised.

Asset Revaluation

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure that a reasonable total asset value is carried year to year. There is not a policy to regularly revalue other infrastructure.

FINANCE POLICY 2

SUBJECT - Rates and Accounts Collection

1.1 Policy Purpose

The purpose of this policy is to provide Council staff with guidelines for the collection of outstanding debts owed to Council.

1.2 Policy Objectives

- To provide consistency and equal treatment in the collection of outstanding rates and sundry debtors.
- To provide the community with information on how Council staff are instructed to collect outstanding rates and sundry debtors.
- To formalise the process for entering into a payment arrangement to pay off outstanding debts owing to Council.

2.1 Policy

It is Council policy that the following procedure shall apply for the collection of unpaid debts:

UNPAID AND OVERDUE RATES

1. Where rates remain outstanding 14 days after the due date shown on the Rate Notice, and the ratepayer has NOT elected to pay by the 2 or 4 installment option, a Final Notice shall be issued requesting full payment within 14 days.
2. Rates remaining unpaid after the expiry date shown on the Final Notice will result in a Letter of Demand sent to the ratepayer.
3. Where payment still remains outstanding despite the issue of a Letter of Demand and the ratepayer has not entered into a payment arrangement a General Procedure Claim will be issued for recovery.
4. Where a claim has been issued and served and remains unsatisfied, action will be taken to pursue that Claim by whatever means, through Council's solicitors or collection agency as the case may be, to secure payment of the debt.
5. Following the issue of a Claim and addition of legal costs, a reasonable offer to enter into a payment agreement, will not be refused.
6. Legal proceedings will continue until payment of rates imposed is secured. This includes the issue of a Property Seizure and Sale Order (PSSO) against goods AND land if necessary.

- If a Property Seizure and Sale Order against land is proposed to collect outstanding rates due on a property where the owner resides, approval of Council shall be obtained before the PSSO is lodged.
 - PSSO's against land will be used to collect outstanding amounts in respect to investment properties without a requirement that these be referred to Council.
7. In cases where the owner of a leased or rented property on which rates are outstanding cannot be located, or refuses to settle rates owed, notice will be served on the lessee under the provisions of section 6.60 of the Local Government Act 1995, requiring the lessee to pay to Council the rent due under the lease/tenancy agreement as it becomes due, until the amount in arrears has been fully paid.

SUNDRY DEBTORS

1. Invoices are due and payable within 14 days of the date of issue.
2. At the end of each month, Council issues a statement of account.
3. At expiration of further 30 day period from issue of statement of account, any remaining outstanding debtors will be sent a Letter of Demand, with 14 days to pay.
4. Where payment still remains outstanding despite the issue of a Letter of Demand and the debtor has not entered into a payment arrangement a General Procedure Claim (GPC) will be issued for recovery.
5. Following the issue of a GPC and addition of legal costs, a reasonable offer to enter a payment agreement will not be refused.
6. Where a GPC has been issued and served and remains unsatisfied, action will be taken to pursue that Claim by whatever means, through Council's solicitors or collection agency as the case may be, to secure payment of the debt.
7. That in all cases following GPC, Council authorise the Chief Executive Officer to proceed by means of PSSO (Property Seizure and Sale Order), unless alternative arrangements are made prior to PSSO being served.

FINANCE POLICY 3

SUBJECT - Investments

1.1 Policy Purpose

The purpose of this policy is to provide guidance to Council officers on the appropriate forms of investments for Council funds.

1.2 Policy Objectives

- To follow a conservative approach towards investing Council funds.
- To provide an approved list of investment options.
- To comply with Section 6.14 of the Local Government Act 1995 - ("Prudent Person" rule)

2.1 Policy

It is Council policy that the Council funds are invested under the following guidelines:

1. An appropriate cash flow is maintained for the continued good management of the Council.
2. Records of Investment particulars are maintained in line with the Australian Accounting Standards and Local Government Act Financial Management Regulations.
3. Approved forms of investment being Term Deposits and Cash Management funds held in a local banking institution.
4. Any deviation from policy to be approved by Council.

FINANCE POLICY 4

SUBJECT - Grants to Community and Sporting Bodies

1.1 Policy Purpose

The purpose of this policy is detail Council's commitment towards contributing towards the upgrade and renewal of sport and recreation facilities within the Shire of Jerramungup.

1.2 Policy Objectives

- To provide a regular funding opportunity for sporting and community groups for the improvement of community infrastructure.
- To follow a consistent approach towards the allocation of funds to community and sporting groups for the upgrading of their facilities.
- To encourage community and sporting groups to play a leading role in the development of their facilities.
- To promote the development of strong and sustainable clubs and associations in the Shire of Jerramungup.
- To encourage volunteerism in the Shire of Jerramungup.

2.1 Policy

It is Council policy that a Budget provision of up to 2.5% of the previous year's Levied Rates is provided for in each year to distribute to Community and Sporting Organisations upon application to the Council.

1. Distribution of Funds to Community and Sporting Bodies

The following guidelines for distribution of funds to Community and Sporting Bodies are to apply.

a) Fund Objective

Funds from Council may be made available for the following purpose; Establishment or improvement of playing areas or buildings necessary for the conduct of sport or for community use, to assist community groups in establishing a service or activity seen as a need for the betterment of and improvement to the enjoyment of life within the community.

b) Application Procedure

- i) Applications for funding close at the Council Office on 31st May to be considered in the following financial year.
- ii) Applications should only be made when the applicant group is confident that all the cash that the applicant proposes to contribute will be readily

available if a grant is approved.

c) Limitations

- i) Funds not to be used for equipment, trophies, prizes or expenses (including loan repayments) incurred in the conduct of the sport or in community activities.
- ii) Community and Sporting Bodies must submit an application, where eligible to the CSRFF Grants round and comply with the funding criteria.
- iii) Council's general philosophy is to fund 1/3 of the total project cost. It is anticipated that the applicant group will contribute 1/3 and will obtain grant funding or some other kind of funding for the remaining 1/3. Voluntary labour and equipment may be included in the applicant's contribution.
- iv) Council Employees or Equipment may be used in lieu of a cash contribution from Council.
- v) On completion of projects, the Chief Executive Officer or his delegate shall carry out an inspection prior to closing the job file.

d) Voluntary Contributions

The value of work undertaken by volunteers can be included in the local contribution but this value may not exceed one third of the completed value of the project.

The voluntary work should be described and valued at the rate of \$20.00 per hour, or the rate approved by the appropriate agency.

e) General Guidelines

- 1. All applications must be on the appropriate form.
- 2. Applications must be submitted no later than 31st May each year for funds under \$2,000.
- 3. Applications must be supported by two written quotes for materials or other goods included in the funding submission.
- 4. Applications will be acknowledged by Council.
- 5. Council reserves the right to consider and allocate funds without the right of appeal.
- 6. Council reserves the right to request further information on demand.
- 7. All monies allocated must be spent and claimed by the 30th June in the financial year for which it was allocated.
- 8. No project requiring funding shall commence without the written consent of Council.
- 9. Money granted must be spent on the project allocated.
- 10. No money will be allocated for completed projects.
- 11. Council reserve the right to inspect Reserves and Buildings without prior

notification to the respective Committee.

12. Council may consider applications from Community Groups other than Sporting Bodies.
13. Applications will be considered at Council's sole discretion.
14. Council reserves the right to set aside large projects as longer term budget items to be funded over more than one year.
15. All applications for funding to Council by groups or organisations must be accompanied by a copy of the organisations/groups most recent set of financial reports, along with any planning documents, (maps etc) and other proposed funding sources for the project. All applications to be assessed on their merits.
16. Applicants should ensure that their project forms part of their sporting or community groups business plan and where applicable the Shire local recreation plan.

FINANCE POLICY 5

SUBJECT - **Corporate Credit Card Policy**

1.1 Policy Purpose

The purpose of this policy is to provide the Chief Executive Officer, Deputy Chief Executive Officer, Manager of Infrastructure Services and Shire President with the ability to instantly pay for Council expenditure incurred whilst performing Council functions.

1.2 Policy Objectives

The objectives of the Policy are;

- To reduce the reliance on Council representatives carrying cash or Council cheques.
- To reduce the reliance on Councillors and Council Staff making payments on behalf of Council.
- To reduce the need for reimbursing expenditure incurred on behalf of Council by Councillors and Officers.
- To provide a modern, professional and documented payment means when incurring expenditure on behalf of Council.

2.1 Policy

- 1) That the Chief Executive Officer, Deputy Chief Executive Officer, Manager Infrastructure Services and Shire President be delegated authority to use a Corporate Credit Card for the following purposes which shall relate to bona fide Council business and in accordance with the credit card issue form.
 - i. Conference and meeting costs
 - ii. Accommodation expenses
 - iii. Meals
 - iv. Fuel
 - v. Entertainment expenses
 - vi. Minor equipment part and repairs
 - vii. Other expenses which at the discretion of the Chief Executive Officer, Deputy Chief Executive Officer or Manager Infrastructure Services is most efficiently paid for by credit card.

- 2) The credit shall be linked to Council's Municipal bank account and a recoup of expenditure be made, on a monthly basis, via funds transferred from the Shire of Jerramungup Municipal Account.