

Society for Creative Anachronism (Inc. in SA)

Financial Policy

July, 1999

I. INTRODUCTION

The SCA is incorporated in the state of South Australia, under the Associations Incorporation Act (1985). This financial policy applies to all SCA groups in the Commonwealth of Australia.

Our stated purpose is the study of the Middle Ages and Renaissance. This has led the Society to create a social structure adapted from those found in Europe during the Middle Ages. This, of course, has created a diversity of groups and interests that enhance the experience we seek to create.

Definitions:

The term "**Branch**" refers to any geographic or institutional division of the Society, as specified in Corpora Article V.C.

The term "**other entity**" includes but is not limited by: chartered guilds, special newsletters, and special deputies to the Corporate Treasurer or Principality Chancellor of the Exchequer.

The governing documents of the Society includes the articles of Incorporation of SCA (Inc. in SA) and its rules and the SCA Inc. (USA) Corpora and its rules.

The chief financial officer of the SCA is the Corporate Treasurer who is appointed by and answerable to the Committee of the SCA (Inc. in SA). The Corporate treasurer is ultimately responsible for administration and management of all financial assets of the Association and the upkeep of this policy.

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The governing documents of the Society, includes the S.C.A.Inc. (USA) Corpora and its rules, the articles of Incorporation of S.C.A.Inc.(SA) and its rules.

The SCA Branch covering the whole of Australia is known as the Principality of Lochac. The chief financial officer of the Principality is the Lochac Chancellor of the Exchequer who reports to the Corporate Treasurer. All Branch Treasurers (Reeves) within the Principality report directly to the Lochac Chancellor of the Exchequer. The Lochac Chancellor of the Exchequer is responsible for the administration and management of the Reeves of each Branch.

We currently enjoy an income tax exempt status in the Commonwealth of Australia, and maintaining that status requires that we adopt certain uniform practices and standards regarding our financial activity.

We must make sure that:

- every part of the organisation engages primarily in activities that advance our tax exempt purposes, except where prohibited by law,
- that a substantial part of activities conducted in our name and with our funds are in support of an exempt purpose,
- that our earnings are not used in whole or in part to the benefit of private individuals or organisations, and
- That we serve a public, not a private, purpose.

In order to accomplish this, a system of consistent financial procedures must be followed by every Branch or other entity maintaining Society assets.

This financial policy establishes the basic accounting and financial management procedures for every part of the organisation, to be followed except where prohibited by law.

The Principality of Lochac may establish additional requirements as they see fit, so long as the law, the Governing Documents of the Society, or this financial policy does not prohibit them. Branches and other entities may also establish additional requirements, so long as they are not prohibited by law, the governing documents of the Society, this Financial Policy, or the Principality Law or the Principality financial Policy.

The Lochac Chancellor of the Exchequer must consult with the Corporate Treasurer on all matters containing to mundane financial issues, and/or where breaches to the financial Policy have occurred.

II. BANK ACCOUNT IDENTIFICATION AND STRUCTURE

All funds will be maintained in a bank account in the name of

- “Society for Creative Anachronism Inc. - <name of Branch or entity>”,
- “<name of Branch or entity> - Society for Creative Anachronism Inc.”,
- “SCA Inc. <name of Branch or entity>”, or
- “<name of Branch or entity> SCA Inc.”

Entities maintaining funds insufficient to open a bank account shall either have them kept in another Society account or contact the Principality Exchequer to make other arrangements.

Approved controls on accounts are:

Requiring two signatures for withdrawal and providing copies of the reconciled statements for review by the Branch Seneschal and the Principality Chancellor of the Exchequer monthly; or

With the Corporate Treasurer's written approval:
Having the unopened bank statements sent to someone other than the Branch Reeve who lives at a different address for initial review.

Single signature accounts must have the approval of the Committee.

a. POLICY IN REGARDS TO BANKS AND OTHER FINANCIAL INSTITUTIONS

Each Branch or other entity shall keep its funds in an SCA Inc. account held by a bank. Incipient groups may use their sponsoring groups bank account for a maximum of 12 months by which time they must establish their own account.

With the written approval of the Corporate Treasurer, a Branch or other entity may keep its funds with a financial institution other than a bank.

b. SIGNATORIES

All signatories on Society accounts must be paid members of SCA (Inc. in SA) while they are listed as signatories.

At least two officers of the same Branch must be listed as signatories on the account, along with one other person (Barons and Baronesses are not officers). All accounts shall have the signature of the Corporate Treasurer.

The signatories on the account shall not share the same residence.

Sovereigns, Consorts, and the heirs of the Principality are not allowed to be signatories on the SCA Inc. Lochac account while they hold that office.

III. SEPARATION OF FUNCTIONS

No one person may be responsible for all aspects of a Branch's financial management as defined in VIa.

The duties of the Branch Treasurer must be performed by a person other than the Branch Seneschal.

There must be no co-mingling of Society funds with the funds of any individual or other non-SCA group.

IV. FINANCIAL RECORDS

The Branch Treasurer shall maintain permanent books and records of the Branch's financial activity. Detailed records must be maintained and receipts, disbursements, and contributions specifically itemised. Where a system is automated, printouts ("hard copy") of computerised records must be made as well as computer files/disks.

Internal records must be reconciled through the bank statements as received. In no case shall reconciliation occur less than monthly.

All records must be retained for at least five years. These books and records as well as bank statements, other correspondence and files of an official nature are property of the SCA (Inc. in SA) and must be turned over to the successor officer within thirty days after a person leaves office.

All financial records of a dissolved group are to be sent to the Corporate Treasurer.

V. FINANCIAL REPORTING

Each Branch Treasurer must report monthly to their Branch Seneschal and to the Lochac Chancellor of the Exchequer. All other entities shall report monthly to the Lochac Chancellor of the Exchequer.

The Lochac Chancellor of the Exchequer may request additional reports.

The Lochac Chancellor of the Exchequer must report at least once per reign to the Lochac Seneschal, the Coronet, the Kingdom Chancellor of the Exchequer, and the Corporate Treasurer.

Failure to file timely reports within thirty days of the end of the reporting period is grounds for suspension of the Branch or other entity and/or replacement of its Branch Treasurer.

All Branches and other entities also shall produce an annual report, on or before the 31st of July each year. This report shall be forwarded to the Lochac Chancellor of the Exchequer. All Principality Officers shall report annually to the Chancellor of the Exchequer, by the 31st of July, on the moneys and properties they held for their office, the Coronet or the SCA (Inc. in SA) during the previous Australian financial year. The Lochac Chancellor of the Exchequer shall collate these reports and forward them, along with an annual financial report for Lochac to the Corporate Treasurer. If a group is unable to report for reasons beyond their control by the 31st of July to the Lochac Chancellor of the Exchequer, then the Corporate Treasurer may extend this deadline to the 31st of August. Copies of reports must reach the Corporate Treasurer and the Lochac Chancellor of the Exchequer by this date.

The annual report of each group shall show, as a minimum, the opening and closing balance of the group, as well as the total income (this to be broken down into members and non-members) and expenditure of the group, for the complete financial year. The financial year in Australia commences on the 1st of July, and concludes on the 30th of June.

Failure of a group to produce an annual report is grounds for the immediate suspension of the Branch or other entity by the Corporate Treasurer. Failure of the Exchequer to collate and forward these reports and/or an annual financial report to the Treasurer is grounds for the Treasurer to immediate removal of the Lochac Chancellor of the Exchequer from office and/or the placement of the Principality of Lochac into abeyance.

a. OFFICERS REPORTING DIRECTLY TO THE CORPORATE TREASURER

The Pegasus Chronicler must report monthly to the Corporate Treasurer.
The Stock Clerk must report monthly to the Corporate Treasurer.
The Registrar must report monthly to the Corporate Treasurer.
All must produce an annual report to reach the Corporate Treasurer by the 31st of July.

b. DISCLOSURE

The following financial policy regarding the disclosure of all Branch accounts has been adopted by the Committee of the SCA (Inc. in SA), and should be adhered to by all Branch Treasurers:

An officer responsible for keeping the accounting records of the association, or of Branches of the association, or of Branches of the association, shall make these records available to any member of the association on request. The member making such a request shall be responsible for all reasonable costs associated with the request, including photocopying and postage costs. A member obtaining the accounting records of the association in accordance with this resolution may, at the member's own expense, have these records audited by a registered company auditor, a firm of registered company auditors, or a person who is a member of the Australian Society of Certified Practising Accountants or The Institute of Chartered Accountants.

VI. EXPENSE AUTHORISATION POLICY

a. RESPONSIBLE OFFICERS

Every expenditure must be authorised in advance by two or more persons designated by the Branch as having approval authority. This should include the

Branch Treasurer and/or Seneschal. Fully documented receipts or statement of expenditure must be provided to support all cash outlays in excess of \$25.00, even where expenditures have been budgeted in advance (as for ongoing office expenses).

This rule applies to anyone expecting reimbursement from the Branch, including Crowns and ruling nobles. In emergency situations only, the Seneschal or Branch Treasurer of the group may authorise expenses on a case-by-case basis. This type of authorisation should be severely limited and must be reviewed within 7 days by the normal authorisation process.

Large Branches should establish a Finance Committee with authority to approve major expenditures. If the reasonableness of an expense is uncertain, the Lochac Chancellor of the Exchequer and/or the Lochac Seneschal should be consulted prior to any commitment.

b. ALLOWABLE EXPENDITURES

No officer of any level has the power to authorise payments that do not support the Society's tax exempt purpose. If the reasonableness of an expense is uncertain, the Lochac Chancellor of the Exchequer or the Corporate Treasurer must be consulted prior to any commitment.

c. RECEIPTS

Fully documented receipts or detailed statements of expenditure (which must be witnessed by the Branch Seneschal or Branch Treasurer) must be provided to support all expenses. This rule applies to anyone expecting reimbursement. Emergency situations are handled on a case-by-case basis by the Lochac Chancellor of the Exchequer.

VII. SPECIAL PURPOSE DONATIONS AND OTHER DEDICATED FUNDS

Branch accounting must support segregation of funds by purpose. When setting up special purpose/dedicated funds, a primary and a secondary purpose shall be established by the finance committee. Funds raised will be used for the primary purpose first. If it is not possible to fulfill the primary purpose or if there are residual funds, the funds will be directed to the secondary purpose. The final destination for all special purpose funds will be the general fund.

Sufficient reserves must exist to fund any outstanding subscription liability for all publications, where a Branch accepts subscriptions to any of its publications. It is recommended that each Branch or other entity should maintain sufficient cash reserves to continue normal operations after a total loss of advance expenses for one major event of the type it typically runs.

Donations earmarked for a purpose contrary to our tax-exempt status, or found undesirable by the potential recipient shall be declined.

VIII. CASH ADVANCES

Cash advances must be documented beforehand and treated as a receivable item until they are reconciled by presentation of receipts and/or cash totaling the amount of the advance. Reconciliation of cash advances must occur within 30 days of the advance.

IX. CASH RECEIPTS/EVENT FINANCIAL REPORTS

Adequate cash controls and security must be in place at any event where money is collected in the name of the Society. Implementation of cash controls and security is the responsibility of the Branch Treasurer and the Autocrat of the event, and must comply with Principality Law and Principality Financial Policy.

Event Financial Reports must be submitted to the Branch Treasurer within 30 days of the Event. If an Event Financial report cannot be finalised within 30 days an interim report must be produced, with additional interim reports every 30 days there after until a final report can be produced.

X. REVIEW OF BOOKS

When any office dealing with finances changes hands, a review of the financial records of that office is mandatory.

Written results of any such review are to be reported to the same officers required by any normal periodic report for that office.

Biennial review is required of each Branch's books for the Corporate Treasurer.

- The Corporate Treasurer shall announce by 31st of August the Branches and other entities to be reviewed for that year and ensure that they are notified. The list will include all Branches not audited the previous year and any other Branch at the Corporate Treasurer's discretion or the Committees direction.
- Documents for these reviews must be supplied within at least 2 (two) months from the date of notification
- Reviews shall be completed not more than 6 (six) months from the date of notification.
- The Corporate Treasurer may with the authority of at least two members of the Committee review any branch on 14 days notice.

XI. POLICY REPORT

This policy shall be reviewed by the Corporate Treasurer and the Committee at least annually, effective as of the date of first publication.

XII. VARIANCES TO THIS POLICY

Variances to section II b and V a. may be granted in writing by the Corporate Treasurer on a case-by-case basis.

Variances to sections II, III and IX may be granted in writing by the Lochac Chancellor of the Exchequer on a case-by-case basis but only for limited periods of time, and subject to review by the Corporate Treasurer.

Variances to section II b and V a. may be granted by the Treasurer on a case-by-case basis.