

Policy: Financial Management Customer Expenses

Purpose

This policy sets out the standards for appropriate expenditure control and payment processing to ensure effective and accountable management for directly managed customers.

The requirements to check, verify and retain appropriate supporting documentation provides accountability, transparency and an audit trail for any misappropriation of funds. The separation of payment approvals and payment processing provides a risk management mechanism for minimising fraud.

The role of approver and the role of processor are critical to ensuring integrity of the system.

Policy statement

- All payments are to be considered against existing budgets. Where there is no “Locked in Budget” or ‘System generated budget”, where a payment is not in line with an existing budget, each payment must be assessed on an individual basis and approval by delegated officers properly documented.
- Cash can only be issued in exceptional circumstances in an amount of \$100 per day from Client Specialist Centre.
- Regular payments can only be approved in accordance with delegation and up to a period of one year.
- Appropriate documentation must support creation and amendment of a customer’s bank account and third-party bank details.
- Appropriate documentation must support all requests for payment.
- New customers must have an approved Budget within 90 days of the order. However, it is important that an affordable budget around regular income is added as soon as possible, once essential expenditure is confirmed.
- Existing customers must have a “Locked in Budget” or “System generated budget”.

Payment to customers

- Other than in exceptional circumstances, cash can only be issued in an amount up to \$100 on any given day and can only be issued from the Client Specialist Centre.
- Regular payments to bank accounts must be approved by Trustee Services and processed by Client Accounts.
- Regular payments can only be approved up to one year before they need to be reviewed.
- Trustee Services can process ad hoc payments directly to a customer’s bank account within delegation.
- Client Accounts can only amend bank account details, with appropriate supporting documentation.
- Customers can be paid through institutions or facilities where required. However, this must be clearly documented.

Payment to third parties (service providers)

- Generally, invoices are required for all companies, service providers, government agencies and non-government organisations within Australia. Invoices are usually received electronically from creditors within Australia.
- Payments can be made on quotations where it is appropriate.

Payment to third parties (stakeholders)

- Stakeholders can be reimbursed for expenditure on behalf of customers where appropriate documentation has been provided.
- Client service officers can pre-approve payments to stakeholders in anticipation of expenditure on behalf of a customer, with the agreement that receipts will be forwarded.
- Stakeholders who fail to provide appropriate documentation for reimbursement, or after pre-approval, should not be paid, other than in exceptional circumstances.

Exceptions for regular third-party payments

- Regular payments can be established for “room and board” with no documentation other than the bank account details for payment, so long as the client service officer is sure the customer is residing with the stakeholder.
- Regular payments can be established for “vehicle allowance” where a stakeholder is taxiing a customer to their various appointments.
- Regular payments can be established for “care” or other arrangements, so long as the client service officer believes it is appropriate and has documented the reasons in an electronic file note.
- Regular payments can only be approved up to one year before they need to be reviewed.

Payments out of budget

- All payments must be for goods or services within the existing budget period.
- The delegated officer must approve payments for goods and services outside of the existing budget period.
- In line with payment of out of budget expenditure, the budget should be unlocked and adjusted as required, particularly if a reoccurring cost.

Scope

This policy applies to **all staff** within NSW Trustee & Guardian in relation to the management of all payment processing from directly managed customer's trust accounts. This includes the creation and management of all payees for all financially managed clients.

Legislative context

- [NSW Trustee and Guardian Act 2009](#)
- [Public Finance & Audit Act 1983](#)
- [State Records Act 1998](#)

Definitions

Bank means an external financial institution that accepts deposits and withdrawals through established individual accounts

Budget means either a “Draft budget” for new clients or a “Locked In Budget” or “System generated budget” for all other clients

Client Accounts means Client Accounts division, the division responsible for creating and maintaining payee details and processing payments for financial management clients

Trustee Services means Service Centres at Parramatta and Newcastle and Client Specialist Centre at Wentworth Avenue.

Creditor means an individual or company that is owed money for goods or services provided

Invoice means a bill for goods / services issued by a creditor that complies with the Australian Taxation Office requirements

Payee means a person or organisation that is to be paid money from a client’s trust account.

Quotation means a statement of cost for proposed goods or services issued by a potential creditor

System Generated Budget means minimum budget for new customers after 90 days from order date and standard budget for existing customers based on previous year’s budget template if not approved for locking by due date

Third Party Payee means any individual or organisation, other than the client, that is to be paid money from a client’s trust account

Trust Account means the regular account managed for each customer

Document information

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| Owner: | Client Accounts Manager |
| Approver: | Director Financial Performance & Investments |
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