

CFMEU Expenditure Policy

Introduction

The following policy document has been developed in accordance with the obligation under National Rule 24A of the CFMEU's rules which require the Union to have internal control policies and procedures relating to the expenditure of the Union.

The policy has been developed for approval by the National Executive of the CFMEU and upon approval, is to be made available to members of the CFMEU by publication on the 'members only' section of the CFMEU's national website.

Officers and employees of the union shall be made aware of the content of this policy and are expected to comply with the policy at all times.

Purpose of the Policy

The purpose of this policy is to:

- (i) Promote the best and most efficient use of union resources in the protection and advancement of members' social and economic interests.
- (ii) Provide a clear set of policies and standards that are understood by and apply to all officials and employees of the union.
- (iii) Adopt clear and transparent policies/practices and decision making structures regarding the finances of the union.
- (iv) Provide for a hierarchy of authority regarding approvals for purchasing goods and services and expenditure of union monies, including identifying levels of delegations.
- (v) Adopt tendering and procurement guidelines that ensure probity and value for money when purchasing goods and services.
- (vi) Ensure clear guidelines exist and are applied in relation to expenditure of funds, cash management, use of credit facilities (including cards) and the reimbursement of expenses.

- (vii) Engage members in the governance of their union and ensure that members are aware of the policies of the Union relating to expenditure.

Operation of the Policy

This policy is to take effect from the date of its adoption by the National Executive or such other date as the National Executive may determine.

This policy is to apply to the CFMEU and each of its Divisions, Branches and Divisional/District Branches.

This policy is intended to operate in conjunction with the registered rules of the CFMEU. However nothing in this policy alters obligations with respect to financial expenditure arising directly from the rules of the union (including the rules relating to a particular Division, Branch or Divisional/District Branch). Should any inconsistency arise between the terms of this policy and the rules of the CFMEU, the latter shall prevail.

Divisions, Branches and Divisional/District Branches may develop further policies and procedures relating to the matters dealt with by this policy provided however that such policies shall supplement and be consistent with the terms of this policy.

Where a Division, Branch or Divisional/District Branch of the Union develops and approves policies covering matters dealt with in this policy, such policies shall be forwarded by the relevant Divisional/District Branch Secretary to the relevant Divisional Secretary within 1 month of the policy coming into operation. The Divisional Secretary shall provide a copy of such policies to the National Secretary of the Union as soon as practicable after receiving the policies from the Divisional/District Branches.

Credit Card Policy

Overview

The CFMEU provides credit card facilities to authorised staff and officials as a cost-effective and convenient method of purchasing goods or services, and to reduce the need for cash transactions.

Use and entitlement

Only staff or officials who have obtained approval from the management committee of the Union/Division/Divisional or District Branch, as the case may be (or elected officials to whom the capacity to authorise has been delegated by such body), may be issued with a union credit card. Where an authorised elected official has approved the issue of a credit card, such approval must be reported and endorsed at the next meeting of the relevant management committee.

All approved cardholders must sign a credit card issue form (Attachment A) and be listed on the credit card register maintained by the Union/Division/Divisional or District Branch (Attachment B).

The credit card is only able to be used for valid union business and for purchases that are directly related to the employee's or official's union responsibilities.

Credit cards are only to be used by the person whose name appears on the card, unless the card holder has delegated authority to another Officer or Staff member for a specific transaction. In such, circumstances, a written record of that authority, shall be completed and retained A sample form which may be adopted for this purpose is set out at Attachment C.

Credit cards should only be used for purchases where purchase orders or invoices are unavailable for the transaction. Where possible and cost effective, it is preferable to purchase from businesses with which the CFMEU has an existing account.

Credit limit

Each cardholder's credit limit will be determined at the time the card is issued, and noted in the credit card register. The cardholder must not exceed this maximum limit, and should immediately notify the principal officer and the finance/accounts department of the Union/Division/Divisional or District Branch if they think they have exceeded their limit. Credit limits will be reviewed on an ongoing basis and are dependent on the cardholder's actual usage.

Cash advances

Credit cards issued by the CFMEU are not to allow for cash advances.

Documentation

The cardholder must keep receipts for all purchases made by the credit card. This documentation should be attached to the monthly statement. The relevant finance manager/accounts department personnel will keep all receipts or invoices for at least five years after the transaction takes place.

Where receipts are lost or otherwise unavailable, the cardholder must provide a written statement setting out the circumstances surrounding the absence of documentation.

Reconciliation and authorisation

Cardholders will be promptly provided with a credit card statement for each billing cycle and will be required to perform a reconciliation of any transactions incurred for that month.

As part of the reconciliation process, the cardholder must verify that each purchase was for approved expenditure, and attach any relevant receipts or invoices. If the cardholder fails to reconcile their account within this time period, their card may be suspended until the

reconciliation is complete. The cardholder should sign the monthly statement to indicate they have read the statement and verified that all the transactions were valid.

The repayment of credit card expenditure must be authorised by senior elected officers of the Union/Division/Divisional or District Branch who have been designated by the relevant governing body to perform that function. Where credit card expenditure is incurred by any of those officers, the relevant governing body shall designate another elected officer to authorise such repayment in combination with another designated officer who has not incurred the expenditure.

The principal officer and/or finance manager/accounts department personnel of the relevant Union/Division/Divisional or District Branch will ensure that there is a review of all cardholder purchases on a monthly basis, and in addition, there should be further audits of credit card expenses carried out as part of the general scope of the external auditors' annual programme. Additionally Divisions/Districts/Branches may from time to time conduct reviews of Credit Card expenditure as part of their Internal Audit regime.

Credit card expenditure must be promptly repaid to the relevant financial institution to minimise interest charges incurred on such expenditure.

Unauthorised or inappropriate use

Union credit cards must only be used for work related expenditure. Private use of cards is only permitted in infrequent and exceptional circumstances AND where personal expenditure is incurred in conjunction with work-related expenditure e.g. a mini-bar tab in a hotel bill. Such personal expenditure is to be identified by the cardholder and repaid/deducted from wages/claim sheet within the normal billing period for the card.

If the cardholder finds they have accidentally used their union credit card to pay for a non-union expense, they must immediately notify the principal officer and finance manager/accounts department personnel of the Union or relevant Division/Divisional or District Branch to explain the situation.

Any cardholder who has been found to have misused their credit card may face disciplinary action, including revocation of their credit card and/or a formal warning. If the card has been found to have been deliberately and wilfully misused, and/or if the breach of policy is significant or repeated, the CFMEU is likely to consider the cardholder's behaviour to be an example of serious misconduct and disciplinary measures may be taken under the Union's rules

If any item purchased with a credit card is found to have breached the terms of use, the cardholder must either return the item from its place of purchase for a full refund, or alternatively the cardholder must reimburse the union for the full amount, including any associated interest charges if applicable.

Cancellation

Cardholders must immediately return their credit card to the union upon termination of employment with the CFMEU, or at any other time if requested to do so by the principal officer of the Union or relevant Division/Divisional or District Branch.

If a card has been lost or stolen, this must also be immediately reported to the financial institution which has issued the card and to the principal officer and finance manager/accounts department personnel of the Union or relevant Division/Divisional or District Branch so that the card may be immediately cancelled.

Assets and Expenses Policy

Overview

This policy sets out the Union's approach in relation to assets and expenses, in order to ensure that Union resources are appropriately and efficiently managed.

All Union assets remain the property of the union and should be used in accordance with the union's rules and policies including, where relevant, rules and policies applying to a specific Branch, Division or Divisional/District Branch of the Union.

All Union funds shall be expended only for legitimate Union business, in accordance with the applicable rules and policies of the Union including, where relevant, rules and policies applying to a specific Branch, Division or Divisional/District Branch of the Union.

The Union may reimburse officers and/or employees of the Union for reasonable expenses incurred by an officer or employee in performing union business. Any reimbursement of expenses shall be appropriately authorised and substantiated.

Nothing in this policy removes any obligation or responsibility with respect to financial management placed upon a committee, officer, member or employee of the Union by the rules of the Union.

Motor vehicles

The Union may supply motor vehicles to the Union's officers and/or employees for the purpose of performing union duties or as part of a remuneration package, which may include salary sacrifice/novated leasing arrangements, in accordance with the rules and subject to any policies of the Union including any Branch, Division, or Divisional / District Branch of the Union.

Where an officer or employee is provided with a Union vehicle for the purpose of performing union duties, the Union may pay for any reasonable operating costs of the vehicle including with respect to fuel and maintenance. An officer or employee seeking reimbursement for reasonable fuel and maintenance costs personally incurred shall provide appropriate receipts and/or other acceptable substantiation of his or her expenditure.

Where an officer or employee is provided with a Union vehicle for the purpose of performing union duties, reasonable personal use may be permitted subject to any policies of the Union including any Branch, Division, or Divisional / District Branch of the Union.

Mobile phones / Electronic Equipment / Internet Access

The Union may supply electronic equipment such as mobile phones or smart phones, computers, iPads and/or similar devices, to its officers and/or employees for the purpose of performing union duties or as part of a remuneration package in accordance with the rules and policies of the union including any Branch, Division, or Divisional / District Branch of the Union.

Where such equipment is supplied for the purpose of performing union duties, reasonable personal use is allowable, provided that the officer or employee does not exceed their allocated usage (for example in a monthly plan or cap), or use the equipment in such a manner that is inconsistent with other conditions that may be imposed from time to time.

Staff and officials shall be encouraged to monitor their call and data usage.

Air travel

The Union recognises that officers and employees may be required to travel by air in performing Union business.

Flight bookings shall be charged to the union's account or paid on a union credit card.

When booking air travel, consideration shall be given to:

- minimising the overall cost of the travel to the Union;
- the window of time available in which to travel;
- the convenience of the person travelling; and
- any other relevant policies of the Union, Branch, Division or Divisional or District Branch.

Taxi/car hire

Taxis

The Union recognises that officers and employees may be required to travel by taxi in performing Union business.

The union may provide officers or employees with a Cabcharge Card or Voucher, or union credit card (subject to any other specific policies relating to the use of such a credit card) to pay for such travel.

Where an officer or employee is required to travel by taxi in performing Union business and pays for the cost of the taxi themselves, he or she may seek reimbursement of the fare provided appropriate documentation can be provided evidencing the payment of the fare.

Hiring of Vehicles

Where it is necessary to conduct union business, an officer or an employee may be provided with a hire car. Wherever practicable, the hire car should be booked to the relevant Union account or charged to a Union Credit Card.

An officer or employee will be reimbursed for any reasonable costs incurred in the use of a hire car. An officer or employee seeking reimbursement shall provide appropriate receipts and/or other acceptable substantiation of his or her expenditure.

Other Travel Costs (including accommodation and meals)

The Union recognises that officers and employees may be required to travel in performing Union business. Where travel is necessary, reasonable travel costs will be met by the Union. Such costs may include, but are not necessarily limited to, expenditure on accommodation and meals.

The amounts of any allowances payable for meals or incidental expenses and reasonable standards of accommodation will be determined by the governing body of the Union or relevant Branch/Division/Divisional or District Branch

Events and Other Expenditure

Where the Union meets the cost of accommodation, travel or other legitimate expenses for individuals who are not officers or employees of the Union, expenditure must be

- (a) consistent with the rules and policies of the Union;
- (b) appropriately authorised in accordance with the rules and policies of the Union, including the rules and policies specifically applying to a Branch, Division, Divisional / District Branch of the union; and
- (c) demonstrably in the interests of the Union;

Petty cash

The Union utilises petty cash funds to pay for minor expenditure where it is necessary or convenient to do so. This may include the use of a pre-paid debit card for small purchases.

Where petty cash funds are used, policies and procedures shall be developed and implemented by the relevant Division, Branch or Divisional/District Branch to ensure that funds are secure, properly reconciled and used only for legitimate Union purposes.

Study and professional development

The Union may from time to time reimburse officers and/or employees for the following study and professional development costs:

- (a) training course fees;
- (b) professional development course fees;
- (c) fees to obtain or maintain membership of professional bodies;
- (d) fees to obtain or maintain an occupational licence or certificate.

The Union shall only reimburse officers and/or employees under this policy where the fees are directly relevant to the officer or employee's duties undertaken for, or on behalf of, the Union and where the reimbursement is otherwise in accordance with any relevant policy of the Union, or a Branch, Division, or Divisional / District Branch of the Union.

Delegations of Authority Policy

Register of Delegated Authorities

In order to ensure that Union resources are appropriately and efficiently managed, the CFMEU, and each Branch, Division or Divisional/District Branch of the Union will, in a manner consistent with any relevant Rules, develop a Register setting out the differing delegated authorities, roles and responsibilities of various staff, officials and governing bodies applying to the Union or in the specific Branch, Division or Divisional/District Branch of the Union.

The National Secretary or relevant Secretary or governing body under the rules of the Branch, Division or Divisional/District Branch, shall ensure that such register is maintained and updated and shall arrange for a review of the register on an annual basis.

Nothing in this policy shall authorise the making of a delegation of authority other than in accordance with the Rules of the Union and any relevant Branch, Division or Divisional/District Branch Rules.

The Union or Branch, Division or Divisional/District Branch may adopt, or adapt, the sample Register of Delegations set out in Schedule D.

Purchasing and Procurement Policy

All major purchasing and procurement decisions made by the CFMEU and each Branch, Division or Divisional/District Branch of the Union will:

- a. be undertaken for the overall benefit of the union's members
- b. be made in accordance with the union's rules and any approved strategic and operational plans and budgets.
- c. represent the best value for goods and services procured.

Purchasing

Subject to any specific rule of the Union/Division/Divisional/District Branch to the contrary, all payments for purchases made by cheque or electronic banking require signatures/authorisation from at least two of the Officers or persons with delegated authority to make such payments, in line with the relevant Delegations policy and in compliance with the applicable Rules.

The Union and each Branch, Division or Divisional/District Branch may maintain a list of preferred suppliers, approved by the relevant Committee of Management, to be referred to when making purchasing decisions.

The procurement policies of the Union and each Branch, Division or Divisional/District Branch shall be adapted to the needs and circumstances of the Branch, Division or Divisional/District Branch in which it applies however at a minimum such policy, subject to the existence of a preferred supplier list and circumstances where an unrelated third party is utilised as a Consultant/Project Manager whereby prior utilisation of service providers has yielded satisfactory performance and cost benefit, must require that:

- a. At least two quotes must be sought for major purchases, and
- b. Generally speaking, the Union or Branch, Division or Divisional/District Branch will select the best value for money having regard to the best interests of members and the needs and circumstances of the Union.

The Union or Branch, Division or Divisional/District Branch may adopt, or adapt, the sample procurement policy set out in Attachment E.

Attachment A

Credit Card Issue Form

Cardholder Name _____

Position _____

I understand and agree that this credit card is issued to me on the express understanding that I will, at all times, comply with the following conditions.

Use

1. This credit card is the property of the CFMEU and must only be used for official purposes.
2. I will keep this card in my possession and under my strict control and will maintain it securely.
3. I will immediately report any unauthorised use of the card to the *[bank name]* and to the principal officer and finance manager/accounts department personnel of the Union/Division/Divisional or District Branch (delete as appropriate).

Monthly reconciliation

4. Each month, upon receiving a monthly statement, I will ensure that all transactions appearing on my monthly statement are verified by me, and will keep supporting documentation to that effect.
5. I will certify that any goods or services paid for using my credit card have been delivered or provided.
6. I will sign the monthly statement, attach any supporting documentation, and submit it for approval.

Change in cardholder details

7. I will immediately advise the principal officer and finance manager/accounts department personnel of any change in name or contact details.

Upon termination

8. I will immediately return my credit card to the union upon termination of employment with the CFMEU or at any other time if requested to do so by the principal officer of the Union/Division/Divisional or District Branch (delete as appropriate).

Lost or stolen cards

9. I will immediately report the loss or theft of my card to the *[bank name]* and to the principal officer and finance manager/accounts department personnel of the Union/Division/Divisional or District Branch (delete as appropriate).

Declaration

10. I acknowledge that I have read and understood the CFMEU's credit card policy.
11. I acknowledge that my credit card limit is *[\$ limit]* and I will immediately inform the union if I think I may have exceeded this limit.

Cardholder Signature _____

Signature of principal officer and finance manager/accounts department personnel of the Union/Division/Divisional or District Branch (delete as appropriate) _____

Date _____

DELEGATION FORM

CFMEU Credit Card Holder

I hereby delegate the use of my CFMEU issued credit card to _____ for the purchase of goods and/or services, in accordance with the CFMEU procurement and credit card policies.

The delegation is limited to a specific purpose, listed hereunder (e.g. internet journal subscriptions, FWC application fees):

- 1. _____
- 2. _____

All receipts in relation to the transaction will be returned to me, signed by the Officer in a timely manner, for reconciliation of the credit card statement.

Signed _____ Date: _____

Delegated Credit Card Holder Authority

I hereby accept use of the CFMEU Credit Card, for the purchase of goods and/or services in accordance with the CFMEU Procurement and Credit Card Policies.

I have read and understood the CFMEU Credit Card Policy.

I acknowledge that the delegation is limited to the purposes listed above.

I will provide the Credit Card Holder with an explanation of the purchase, an estimation of the cost, as well as the necessary authorization for the transaction.

I will provide the Credit Card holder with all receipts, signed by myself, in relation to the transaction.

Signed _____ Date: _____

OFFICE USE ONLY

Attachment D

Sample Register of Delegated Authorities

Activity	Delegation to (identify Official or Staff member, including by office held)	Nature of Delegation (Develop, Approve, Consult with, Inform, Review, Ratify, Monitor, Implement, Recommend, Evaluate, or Report)
Execute contracts and agreements committing the union to expenditure (up to <i>[amount]</i>)		
Execute contracts and agreements committing the union to expenditure (exceeding <i>[amount]</i>)		
Commit the union to expenditure in line with approved budget, contracts, and business plan)		
Appoint, and negotiate with, auditor		
Open and close union bank accounts		
Credit cards: approval, issuance, and set limits		
Capacity to sign cheques or		

other intangible instruments, or otherwise deal with the funds of the Union, including by electronic funds transfer.		
Set expense/invoice signatory lists and maximum dollar limit		
Allocate budget amounts within cost centre		
Write off debts		
Determine non-budgeted expenditure		
Authorise personnel to conduct EFT disbursements		
Authorise personnel to conduct EFT disbursements		
Choice of, and liaison with, bankers		
Obtain insurance		
General authority to manage the day-to-day operational activities and requirements		

Attachment D

SAMPLE PROCUREMENT POLICY

Value of Goods/Services	Procurement Rules
Up to <i>[dollar amount]</i>	<p>Oral quotations may be obtained for purchases up to <i>[dollar amount]</i>. A written record of all quotes must be kept. It is not mandatory to obtain more than one quotation for purchases up to <i>[dollar amount]</i>, however the purchase should still represent value for money. All such purchases must be authorised in line with the union's delegations policy.</p>
Greater than <i>[dollar amount]</i> but less than <i>[dollar amount]</i>	<p>Written quotations for purchases must be obtained in writing. Although it is not mandatory to obtain three quotations for purchases less than <i>[dollar amount]</i>, those authorised to approve expenditure must be satisfied, and be able to justify, that</p> <ul style="list-style-type: none"> • the recommended supplier is price competitive for the particular requirement and/or • the specific purchase proposal is to the best advantage of the union, <p>whilst having regard to such factors:</p> <ul style="list-style-type: none"> • as standard of service • quality of product • proximity to requirement • delivery times • convenience • cost of acquisition. <p>Regardless of the number of quotations obtained, the quotations</p>

Value of Goods/Services	Procurement Rules
	obtained must be in line with the market value of such goods or services.
Greater than <i>[dollar amount]</i>	<p>For purchases greater than <i>[dollar amount]</i>, unions should seek at least <i>[two/three]</i> quotations, which should be invited in writing. This may be as part of a publicly advertised tender process, or through a closed tender process with the union inviting formal quotations from the preferred supplier list.</p> <p>The following supporting documentation shall be maintained in respect to each transaction:</p> <ul style="list-style-type: none"> a) delegated authority to submit the goods or services to tender/quotation b) details of for whom, where and why goods or services are required, in line with the union's strategy, budget and objectives c) a list of those asked to submit a quotation d) a copy of the written request for quotation e) copies of quotations obtained f) criteria used for selecting those asked to submit a quotation g) if fewer than <i>[two/three]</i> quotations obtained, reasons why h) full explanation /justification / recommendation for acceptance of the quotation. This recommendation shall address all specified selection criteria.