

Financial Management Policy

Section 1 - Purpose

(1) To set financial standards of conduct at RMIT.

Section 2 - Scope

(2) This policy applies to the RMIT Group.

(3) Compliance with country specific legislative requirements must be obeyed.

(4) Non-compliance may result in the following actions, including but not limited to:

- a. the removal of a persons' access to RMIT's finance or other systems;
- b. the withdrawal of a person's financial delegation;
- c. the suspension and/or cancellation of a person's credit card; and/or
- d. disciplinary action pursuant to the Human resources policy [under development].

(5) Instances of non-compliance with this policy must be reported to the Chief Financial Officer (CFO) and Chief Audit and Risk Officer (CARO) for further action as appropriate.

Section 3 - Policy

Responsibilities

(6) All staff must comply with this policy and relevant supporting processes.

(7) All staff are expected to act in the best interest of RMIT at all times and should conduct all financial dealings with integrity and fairness.

(8) RMIT is responsible for:

- a. the proper use and management of both public and private funds for which it is responsible;
- b. establishing, and maintaining effective internal control systems over financial transactions and dealings;
- c. maintaining segregation of duties where possible, or appropriate review mechanisms to ensure safety of its assets;
- d. identifying and managing financial risks;
- e. maintaining proper accounting records and systems, and other records, in accordance with state government regulations and directions;
- f. establishing and maintaining measures to minimise and manage the risk of fraud, corruption and other losses; and
- g. compliance with external reporting and other information provision requirements.

(9) All staff must report known and suspected instances of corrupt, improper or criminal conduct as outlined in the [Compliance Breach Management Procedure](#).

(10) All staff are expected to maintain and respect the confidential and personal nature of financial information in the course of their duties and act in accordance with the [Privacy Policy](#).

(11) Staff involved in any financial business of RMIT must declare any personal interests which may affect or be affected by an RMIT transaction in accordance with the [Conflict of Interest Policy](#).

Financial Authorisations

(12) The authorisation of financial transactions must be in accordance with the RMIT Delegations of Authority Schedule 1.

(13) Staff must ensure all financial transactions are:

- a. recorded correctly, in an acceptable timeframe;
- b. supported by adequate documentation; and
- c. reviewed and approved in accordance with financial delegations and audit requirements.

Taxation

(14) RMIT complies with all legal requirements relating to the administration of taxation obligations across all jurisdictions in which it operates. Refer to the Taxation Policy Process.

Treasury Management and Management of Donations and Trusts

(15) The CFO is responsible for managing investment in accordance with the Treasury Management Policy.

(16) RMIT establishes, manages and administers trusts in accordance with the relevant legal requirements, and accounting principles and standards in accordance with the Trusts Management Policy Process. The Philanthropic Committee manages donations and trusts in accordance with the Philanthropic Committee Investment Policy Process.

(17) Borrowing of money and capital raising activities must be approved by Council subject to their functions in accordance with the Treasury Management Policy.

Chart of Accounts

(18) RMIT maintains a Chart of Accounts for compliance and financial reporting purposes, which may be amended from time to time based on business requirements.

(19) The Chart of Accounts Guideline provides detailed information on structure and function of segments.

Assets

(20) Assets must be recorded and classified in accordance with the Asset Management Procedure.

(21) Use of RMIT facilities and assets must be managed in accordance with the [Infrastructure and Asset Security Policy](#).

(22) Assets funded from external sources for research projects are owned by RMIT unless an exception applies pursuant to the Asset Management Procedure.

Income and Expenses

(23) Income is recognised by its source and according to reporting requirements in accordance with the Revenue and Expenses Procedure.

(24) Expenses are recognised in accordance with the Purchasing Policy Process and Credit Card Management Policy Process.

Bad Debts

(25) Authority to write off bad debts sits with the appropriate delegate in accordance with the Bad Debts Policy Process.

Transaction Banking and External Payments

(26) RMIT maintains a payment system in accordance with the Transactional Banking Policy Process.

Procurement

(27) RMIT, other than RMIT Training:

- a. The Executive Director, Property Services and Chief Procurement Officer manages the procurement function for the RMIT Group other than RMIT Training. See the Procurement Policy Process.

(28) RMIT Training:

- a. The Director, Finance approves and maintain Procurement processes for RMIT Training. See RMIT Training Procurement Process.

Section 4 - Divisional Policies

(29) This policy authorises the following divisional policy:

- a. Treasury Management Policy

Section 5 - Procedures and Resources

(30) Refer to the following procedures which are established in accordance with this policy:

- a. Cultural Asset Management Procedure
- b. Asset Management Procedure
- c. Revenue and Expenses Procedure
- d. Treasury Management Procedure

(31) Refer to the following resources which are established in accordance with this policy:

- a. Annual Fee Setting Policy Process
- b. Asset Capitalisation Guideline
- c. Asset Management FAQs
- d. Asset Disposal Guideline

- e. Stocktake Instruction
- f. Bad Debts Policy Process
- g. Chart of Accounts Guideline
- h. Competitive Neutrality Policy Process
- i. Costing Models Policy Process
- j. Credit Card Management Policy Process
- k. Philanthropic Committee Investment Policy Process
- l. Procurement Policy Process
- m. Purchasing Policy Process
- n. Engagement of Consultant/Contractor Guideline
- o. Retail Management Policy Process
- p. Cash Handling Guideline
- q. Higher Degrees by Research Stipends Guideline
- r. Liabilities Management Guideline
- s. University Vehicle Management Guideline
- t. Research Grants Acquittal Guideline
- u. Taxation Policy Process
- v. FBT Guideline
- w. GST Guideline
- x. Transactional Banking Policy Process
- y. Trusts Management Policy Process

Section 6 - Definitions

(Note: Commonly defined terms are in the RMIT Policy Glossary. Any defined terms below are specific to this policy).

All staff	All RMIT and controlled entity employees, contractors, students, Council and other committee members
Bad debts	Debts still outstanding after all attempts to recover the amount have failed
Corporate card	A credit card issued by RMIT for purpose of travel, entertainment or other business related operational expenses.
Doubtful debts	Debts that may become irrecoverable in a future period
Expenses	The cost incurred in an effort to generate revenue representing the cost of running business.
Intangible assets	An identifiable non-monetary asset without physical substance.
Property, Plant and Equipment (PPE)	Assets with a useful life over one year and capitalisation value as approved by management on an annual basis.
Income	Funds in monetary or non-monetary equivalent that the University receives in exchange for providing a service or goods, or through investing capital.
Supporting documentation	Receipts, tax invoices and various legally binding documentation that provides evidence for transactions.

Status and Details

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Policy Owner	Clare Lezaja Chief Financial Officer
Policy Author	Tom Weir Director, Central Finance Operations
Enquiries Contact	Central Finance Operations

Glossary Terms and Definitions

"RMIT Group" - The University, its controlled entities and strategic investment vehicles (known as the RMIT Group).