

- CSPA PROCUREMENT POLICY & PAYMENT GUIDELINES -

Responsible Person <<CSPA Board>> Version <<V03>> Drafted By <<CMaus>> Ratified By Board <<November21>> Independent Review <<August21>> Scheduled Review Date <<November22>>

PURPOSE AND SCOPE

The purpose of this policy is to ensure that the Chapel Street Precinct Association (CSPA) acquires goods and services through a process that is economical, effective and delivers value for money through efficient, ethical purchasing and payment practices.

The below also outlines guidelines as to how the CSPA will appoint and pay suppliers, staff and contractors. This policy also provides clear direction to the CSPA directors and staff to undertake the effective evaluation of suppliers.

This policy promotes benchmark governance and well-documented records for exceptional administration and ongoing reviews.

CONFLICTS OF INTEREST

The below procedure points denote how the CSPA avoids conflicts of interest when purchasing goods and services. The following demonstrates best practice standards:

-CSPA directors and staff engaged in purchasing will at all times undertake their duties in a responsible, ethical and impartial manner.

-CSPA directors ensure that if a person/business (associated in any way to a director) is quoting or providing goods or a service to the CSPA, they are not deciding on the successful quote (or business to proceed with).

-CSPA directors do not see other quotes before submitting their own, or are privy to confidential information that may assist them in securing the business.

-CSPA directors who submit quotes for CSPA activity are subject to the same terms and conditions and reviews that are applied to all other suppliers. A clear culture of 'no special treatment'.

-CSPA directors have the option at every board meeting to declare any Conflicts of Interest in relation to the ownership of/or affiliation to a business that has submitted a quote for goods or services to the CSPA. This is an agenda item and minuted as part of the CSPA monthly board meetings.

-CSPA directors and staff shall not use or disclose information that confers an unfair advantage or financial benefit or detriment on a supplier (or potential supplier).

-CSPA directors and staff will not engage in any activity that would create conflict between personal interest and the interest and/or declared purpose of the CSPA.

HUMAN RESOURCES

The position description for the CSPA Chairperson (President) is provided and reviewed yearly by the board post the Annual General Meeting (AGM).

A detailed induction is performed by the Chairperson or General Manager before a new CSPA director starts (prior to their first board meeting).

The employment of full-time CSPA staff by the Association is approved by a minimum quorum and noted in CSPA board meeting minutes.

Remuneration of full-time CSPA staff is approved by a minimum quorum and noted in CSPA board meeting minutes.

A ratified contract must be signed prior to the payment of any CSPA office staff.

The CSPA General Manager is responsible for hiring and overseeing office staff, including appointing all contractors in accordance with the annual ratified budget.

The annual performance appraisal of remunerated directors and staff will be undertaken every 12 months in line with the CSPA constitution.

DIRECTOR REMUNERATION

The remuneration/or honorarium fee paid to any CSPA director is determined and agreed upon as per the due process outlined in the CSPA constitution (rules of association).

CSPA directors determine/resolve the length of the remuneration and tenure as per the CSPA constitution (rules of association).

CSPA directors determine/resolve how the remuneration/honorarium will be paid, including the job description and KPIs. This must be voted on by the board with an absolute majority.

A ratified contract must be signed prior to the payment of any CSPA director fees.

GOODS & SERVICES

When the CSPA purchases goods or acquires a service, there is an open and transparent process for procurement. Further details outlining this due diligence are below:

All CSPA suppliers must have a registered ABN.

The CSPA Chairperson/or General Manager negotiates and signs contracts/or partnership agreements.

Priority is given to local CSPA businesses/members when two items are *absolutely comparable.

CSPA staff can purchase goods and services on behalf of the CSPA as long as the item/s fall/s within the ratified annual budget.

When two items are *absolutely comparable, two quotes are required for purchases over \$10,000.

The CSPA General Manager approves purchases in line with the ratified Annual Budget and itemised campaign budgets.

Two CSPA ratified directors/signatories must then approve the payment from the allocated bank account.

Purchases/quotes outside the ratified annual budget are presented to CSPA directors to be voted on.

If services provided or goods purchased are either unsatisfactory or faulty or not delivered, due process is taken with regard to lodging a CSPA insurance claim and steps taken to resolve the matter/refund.

**Note - The term 'absolutely comparable' means another entity can't provide the same service and outcome for a comparable price. An example would be a unique radio talent that could not be emulated on other stations; and/or unique artists.*

SUPPLIER EVALUATION CRITERIA

The CSPA will evaluate existing and new suppliers/businesses/contractors based on their ability to supply goods and services in accordance with the following guidelines and criteria framework.

Preference will be given to local suppliers who are CSPA members:

1. Fit to purpose (how do they fit with the CSPA Strategic Plan 2019:23 and enhance the CSPA vision?)
2. What does this supplier do/offer to benefit the economic prosperity of the Chapel Street Precinct?
3. Value for money (do they deliver increased value for special rate payments/funds?)
4. Past performance/trust.
5. Financial stability (is there any chance that this potential business or supplier could soon become insolvent?)
6. Best practice (are they a leader in their field?) (Does the business support gender-equal pay?)

New suppliers must be able to provide customer references and other associated information as required, to enable an informed evaluation and assessment by the CSPA.

The CSPA will select new suppliers/contractors in accordance with the above guidelines (decision framework) and any new supplier/contractor that satisfies the purpose of the CSPA must be subject to due diligence by the CSPA appointed accountant (or bookkeeper).

Any supplier/contractor that has at any point in time committed an unlawful act and/or by way of association significantly adversely affected the CSPA's reputation as a result of their misconduct, will be placed on an immediate permanent trading ban (subject to an assessment of any applicable CSPA contractual obligations).

APPROVING PAYMENTS & EXPENSES

Any payments that are remitted by the CSPA are recorded digitally (since 2016 this has been via the Xero accounting package).

All vendor payments (outside of those paid by Debit Card) require two signatures prior to the payment being released from the nominated Westpac bank account.

Approved CSPA bank signatories include the CSPA Chairperson and any other ratified directors.

CSPA batch payments will be performed electronically via the online banking portal (since 2016 this has been the Westpac online banking platform).

Suppliers are only paid via EFT or Debit Card.

The CSPA payment terms are 30-60 days. A maximum of 60 days is advised due to special rate payments and the set-up of the signed special rate agreement.

There is no cash on the CSPA office premises.

Branded EFTPOS cards (for promotional purposes) are kept in the locked CSPA office safe at all times.

Two ratified signatories are authorised to approve General Manager reimbursements.

DIRECTOR & STAFF REIMBURSEMENTS

The below outlines the manner in which CSPA reimbursements are issued and the due process to ensure absolute transparency:

CSPA directors and staff can (from time to time) purchase goods and services on behalf of the CSPA using their own money, then be reimbursed for those expenses as long as the cost is known and approved by the Chairperson (President)/or General Manager and a tax invoice is provided.

*CSPA directors and staff will never receive reimbursement in cash, payments will only be made via a direct EFT deposit into a nominated bank account.

Reimbursements are approved by the Chairperson (President)/or General Manager in line with the annual budget.

All CSPA signatories have live real-time access to transaction information on the CSPA debit card. The CSPA Directors are provided with a monthly debit card transaction report in board packs.

The CSPA debit card/s can be used to cover incidental expenses or items where suppliers only take this means of payment.

The CSPA debit card/s can only be used when EFT payment is not an economical/or practicable option.

A limit of \$2,000 (unallocated funds) is the maximum limit that can be deposited/transferred onto a CSPA debit card.

The CSPA debit card/s are reconciled quarterly and a monthly full transaction list is provided to CSPA directors in board papers in arrears.

No credit cards are held by any CSPA directors or staff members (only debit card/s to mitigate risk).

The CSPA will make Stonnington (CoS) aware of any reimbursements that are made to CSPA directors or staff. These will be itemised and denoted in the transaction lists (statements) sent to COS in CSPA quarterly activity reports.

*Note - *The CSPA debit card/s have been put in place of office petty cash (on-premises) and money being stored/handled in the CSPA office.*

CSPA NON-SALARY ADMINISTRATIVE EXPENSES GUIDELINES (SCOPE)

CSPA expenses are reimbursed as per the below guidelines. One of the following criteria must be met before non-salary administrative expenses are reimbursed:

- The cost is relating to marketing purposes and can't be paid by EFT; and
- The cost is identifiable to a project or major tactic budget allocation; and
- The expense is deemed reasonable by the CSPA board of directors; and
- The expense is allocated within the annual budget; and
- The expense is related to approved subscriptions or membership fees; and
- The expense is related to staff amenities or other approved or reasonable employment-related expenses; and
- The expense is a reasonable meeting related cost for member, stakeholder or staff engagement; and
- The expense is for a reason that aligns with the CSPA purpose (as denoted in the constitution).