



Pacific Association of Supreme Audit Institutions (PASAI)

Financial and Asset Management Policy

Access to information

PASAI members, Donors, International and Regional Partners

PASAI Reference Number

PP_3_FAM_2017

Issued and effective

24 February, 2017

Review

Policy reviewed in March 2022 and June 2022 to be reviewed every two years (next review June 2024)

Content

Policy on financial and asset management

- General Policies
- Expense Card Policy
- Reimbursement Policy
- Asset Policy
- Policy for Receipt of funds from External Parties

Applicable to

All PASAI staff and all PASAI funds and assets

Issuer

Chief Executive of PASAI

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PART 1: General Policies

SECTION I – PURPOSE

1. The purposes of this Financial and Asset Management Policy are twofold:-
 - (a) Prescribing particular accounting and financial management policies that should apply to PASAI’s financial management.
 - (b) Specifying requirements for the collection, receipt, custody, issue, expenditure, control and management of PASAI funds and assets.

SECTION II – SCOPE

2. This policy applies to all PASAI staff, including contractors and consultants (referred to in this policy collectively as “the Secretariat”), PASAI funds and PASAI assets (including those of PASAI Incorporated, and any funds or assets supplied under funding agreements with development agencies). The terms “funds of PASAI”, “PASAI funds”, and “PASAI assets” shall be read accordingly.
3. All policies in Part 2 to Part 6 form part of this policy.
4. All PASAI financial operations and transactions shall comply with this policy.

SECTION III – FINANCIAL RESPONSIBILITIES OF THE CHIEF EXECUTIVE

5. The Chief Executive is responsible to the Secretary-General for:
 - (a) overseeing and managing the financial affairs of PASAI, in accordance with the PASAI Charter and the PASAI Incorporated Rules, and any delegations made under the Charter and the Rules;
 - (b) controlling all expenditure from the funds of PASAI and ensuring that appropriate authority exists for all payments made;
 - (c) collecting all income accruing to PASAI within a reasonable period of time;
 - (d) maintaining appropriate levels of insurance over PASAI’s assets and activities, and administering insurance arrangements in accordance with Section XI; and

- (e) allocating responsibilities to staff of the Secretariat for collecting income and incurring expenditure.

SECTION IV – FINANCIAL RESPONSIBILITIES OF THE OFFICE COORDINATOR

- 6. The Office Coordinator is responsible to the Chief Executive for assisting in administering the financial affairs of the Secretariat, including the implementation of any of the responsibilities specified in policy 5, in the manner and according to the related Policies, the delegations and directions of the Governing Board or the Secretary-General, and any procedures prescribed by the Chief Executive.

SECTION V – BUDGETS

- 7. The Secretary-General shall oversee the management of PASAI's funds by the Secretariat, in accordance with the budget approved by the Governing Board.
- 8. The Secretary-General may authorize the transfer of funds between the main classifications of the budget.
- 9. The Chief Executive may, after consulting the Secretary-General, authorize funds of PASAI to be utilized to defray expenditure that was not budgeted for and cannot be postponed without serious detriment to the operations of PASAI, provided that the expenditure does not exceed 5% of the total budgeted expenditure of PASAI or NZ\$20,000 (or equivalent sum), whichever is the lesser.
- 10. The Chief Executive shall report to the Governing Board, through the Secretary-General, particulars of authorizations granted under policy 8 and 9 above.

SECTION VI – FINANCIAL REPORTS

- 11. The Chief Executive shall report on PASAI's financial position and financial performance, through the Secretary-General, to each meeting of the Governing Board and on such other occasions as the Board may require.

SECTION VII – NEW FINANCIAL POLICIES

- 12. The Secretary-General may approve new financial policies, prepared by the Chief Executive, for the management of PASAI's finances in accordance with good practice in the jurisdiction where the Secretariat is located. The financial policies, once approved, will form part of this policy and shall be referred to the Governing Board for confirmation at its next following meeting.

SECTION VIII – ACCOUNTING RECORDS

13. The Secretariat shall, under the direction of the Chief Executive:
 - (a) maintain proper accounting records and introduce an efficient system of internal control and checks in relation to those records; and
 - (b) introduce, apply, and adapt appropriate accounting procedures and controls to ensure the completeness and accuracy of the accounting records and timely reporting in relation to them.

SECTION IX – SAFEGUARDING OF ACCOUNTING RECORDS

14. All accounting records must be kept securely to prevent damage, destruction or unauthorized access, use or removal.
15. Accounting records that are no longer required for legal purposes (as determined under section 2 of Article 13 of the PASAI Charter) may, with written authorization of the Chief Executive, be destroyed.

SECTION X – RECEIPT OF MONEY

16. In no circumstances may cash received be used to defray expenses before being banked.
17. All money received by PASAI must be banked intact within three working days from the date of receipt.
18. Direct credit transfers to PASAI's bank account shall be recorded from the bank statements. The date appearing on the receipt shall be the receipting date.

SECTION XI – EXPENDITURE CONTROL

19. No expenditure from PASAI funds shall be made without the approval of the Chief Executive. One of the Directors may approve specific expenditures in the absence of the Chief Executive, if delegated in writing by the Chief Executive.
20. Payments must be supported by invoices and other relevant documents, and processed in accordance with the Office Policies.
21. The person responsible for a purchase must certify the invoice and other relevant documents, to the effect that services have been rendered and goods have been delivered.

22. If the supporting invoices and relevant documents are not available, the person responsible for the purchase may certify the duplicate copies of those documents to facilitate the payments.
23. In giving effect to the PASAI Incorporated Rules and section 2 of Article 12 of the PASAI Charter, all PASAI staff must ensure that payments are made from PASAI funds only to meet commitments or liabilities that are to be accrued or recognized in PASAI's financial statements.
24. Written approval must be obtained from the Secretary-General for all expenditure that is not related to the normal functions of PASAI, and such expenditure must be reported to the Governing Board by the Chief Executive in the next regular financial report.
25. The Chief Executive may in specific circumstances, where it is to the benefit of PASAI, approve that a payment be made before it is due.
26. A progress or part payment of goods or services rendered, or work performed, may not be made unless it is supported by a certification that the amount of the payment is fully covered by goods already delivered, services already rendered or work already performed.
27. The Chief Executive may, under appropriate conditions, approve advances for the payment of essential expenditure.
28. Any expenditure relating to the Chief Executive shall be submitted for approval by the Secretary-General or anyone delegated with the Secretary-General's authority.
29. A payment will be considered unauthorized if it is:
 - (a) made without provision being made for it in the annual budget; and
 - (b) not otherwise authorized under, or paid inconsistently with, this Policy.
30. An unauthorized expenditure will not form a charge against PASAI funds until it has been authorized by the Secretary-General (subject to the Secretary-General's powers of delegation to the Chief Executive).
31. Unauthorized expenditure that has not been authorized under paragraph 28 must be recovered from the person concerned.

SECTION XIII- BANK ACCOUNTS

32. The Secretariat shall ensure that proper controls are in place in operating and maintaining one or more PASAI bank accounts.

33. A bank account for PASAI shall only be established with the approval of the Secretary General and the Chief Executive shall inform the bank of PASAI's staff authorized to operate it.
34. A separate bank account shall be established if required by a development partner or funder. in a
35. All PASAI bank accounts shall be kept in the name of PASAI and be the property of PASAI Incorporated.
36. PASAI staff operating PASAI bank accounts shall not allow such accounts to be overdrawn and shall ensure that appropriate cash flow forecast are in place to manage the bank account balance.
37. All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.
38. The designated PASAI staff shall review the monthly bank reconciliations, and then signed and dated.
39. The bank account numbers and details shall be checked and reviewed by a designated PASAI staff or authorised person regularly and on a timely basis.

SECTION XIV – FIXED ASSETS

40. All matters related to the procure, receive, record, keep, maintain, dispose and report of PASAI assets shall be referred to Part 5 of the Financial and Asset Management Policy .

SECTION XV – INSURANCE

41. When anything happens that could lead to a claim by or against PASAI or against PASAI insurers, the person responsible shall immediately notify the Chief Executive of that occurrence in writing, who shall notify the insurers.
42. The Chief Executive shall keep particulars of all insurance policies of PASAI, arrange for the prompt payment of all insurance premiums, and ensure that all insurance notifications and claims emanating from such policies are lodged.
43. The Chief Executive shall take appropriate steps regarding all legal matters of PASAI arising from insurance policies.

SECTION XVI- RESERVES POLICY

44. PASAI financial reserves are made up of unused funds obtained from membership fees, interest earned on members funds and dividends obtained as a result of purchase of electricity from local energy provider.
45. The Chief Executive is responsible for preparing annual budgets that ensure that not less than \$NZ500,000 is retained in reserve funds at all times.
46. PASAI's reserve funds are held to enable PASAI to undertake an orderly wind up of Secretariat operations should the decision be made by the PASAI Congress to ease the operations of the Secretariat. These funds would be used to meet obligations to Secretariat staff under employment contracts and other external financial obligations.
47. Any funds collected from the sources set out in paragraph 44 that are available over and above the required reserves balance set out in paragraph 45 above should be applied to meet expenses incurred for the operational costs of the Secretariat. The use of available members funds to meet operational costs thereby enables a greater portion of development partner funding to be applied to meet programme delivery expenses.

SECTION XVII - EFFECTIVE DATE

The Policy is effective as of 24 February, 2017.

SECTION XVIII - REVIEW DATE

The Financial and Asset Management Policy was reviewed in June 2022 and is to be reviewed after two years from last review date.

SECTION XIX - ISSUER

The Issuer of this Policy is the Chief Executive for PASAI.

SECTION XX - CONTACT AND ACCESS

- i. **Contact.** For questions relating to this Financial and Asset Management Policy, please contact PASAI Secretariat at secretariat@pasai.org.
- ii. **Access.** The Policy can also be accessed at <http://www.pasai.org>

SECTION XX - RELATED DOCUMENTS

- i. PASAI Charter
- ii. PASAI Incorporated Rules

- iii. PASAI Governance Code
- iv. PASAI Governance and Operational Policy
- v. PASAI Human Resources Policy
- vi. PASAI Health and Safety Policy
- vii. PASAI Child Protection Policy
- viii. PASAI Fraud Control Policy
- ix. PASAI Gender Policy
- x. PASAI Code of Conduct
- xi. PASAI Conflict of Interest Policy
- xii. PASAI Procurement Policy
- xiii. PASAI Contract Management Policy
- xiv. PASAI Risk Management Policy
- xv. PASAI Whistleblowing Policy
- xvi. PASAI Investment Policy
- xvii. PASAI Minutes of Governing Board meetings policy
- xviii. PASAI Communication Strategy
- xix. PASAI Guidelines on use of Social Media
- xx. PASAI Sexual Harassment Policy
- xxi. PASAI Gifts, Hospitality & Entertainment Policy



PART 2: Corporate Card Policy

SECTION I – PURPOSE AND APPLICATION

1. This document provides instructions and rules about the use of PASAI Corporate Card(s).
2. The purpose of PASAI Corporate Card policy is:
 - (a) to provide a convenient method of procuring and paying for goods and services by simplifying the procurement process, reducing paperwork, speeding up vendor payments and empowering staff who have procurement responsibilities.
 - (b) to reduce the need for petty cash reimbursements.
 - (c) to reduce the cycle time from order to receipt, and improve expediency for PASAI employees. This will allow purchases of goods in support of sound business practices, that will replace the more costly order process for small ticket items.
 - (d) to assist in the streamlining of the purchasing system to better support PASAI operating needs, without eroding proper purchasing practices or circumventing internal controls.
3. Staff issued with a card shall be required to confirm that they have read all relevant policies

SECTION II – SCOPE

4. This Policy applies to all PASAI staff.
5. All Corporate Cards shall be governed by this policy and used in a manner that complies with PASAI policy regulating the procurement of goods and services.

SECTION III – WHAT IS A CORPORATE CARD?

6. The PASAI Corporate Card provides approved staff members with a widely accepted, cost-effective method of paying for PASAI related expenses.
 7. It has the capacity to capture transaction data vital for budget control, management reporting and will provide benefits and savings to the PASAI by reducing reimbursement claims.
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8. PASAI's Corporate Card is Westpac's Business MasterCard.

SECTION IV – HOW DOES IT WORK?

9. A Cardholder uses their Corporate Card to pay for expenses as described in section 10.
10. PASAI's bank account is debited for the total of all Corporate Card transactions at the end of each monthly statement period.
11. The balances on each Corporate Card are reset to zero at the commencement of each new statement period.

SECTION V – WHO CAN USE AN EXPENSE CREDIT CARD?

12. The Chief Executive shall be responsible for designating which employees will receive a Corporate Card.
13. Corporate Cards shall generally be issued to staff required to undertake frequent travel on behalf of PASAI and/or to pay/order/book for items that require using of a corporate card.
14. A Corporate Card shall be issued to the Office Coordinator to pay for petty expenses of the office.
15. The PASAI Corporate Card may be used only by the Cardholder to whom it has been issued. Corporate Cards are not transferable. The Cardholder should not divulge the card number or the card expiry date to any other person, including other staff members, unless authorised by the Chief Executive for use on PASAI approved expenses.

SECTION VI – CARD LIMITS

16. The standard expenditure limit for Corporate Cards shall be set by the Chief Executive for each Cardholder's account. The expenditure delegation set for the Chief Executive is \$20,000, the Corporate card limit must be set at an amount lower than the expenditure delegation.
17. The expenditure limit for Corporate Card issued for petty expenses shall be set at \$500.
18. These financial limits may be extended in exceptional circumstances. Any request for an increase in either the transaction or the monthly limit must be supported by a brief explanation and forwarded to the Chief Executive for review or to the Secretary-General on case related to the Chief Executive.

SECTION VII – SECURITY

19. The safe-keeping of the Corporate Card is the individual Cardholder's responsibility. It is not transferable and shall only ever be used by the Cardholder.
20. Lost or stolen cards must be reported immediately to the Chief Executive and to appropriate authority.

SECTION VIII – HOW TO OBTAIN AN CORPORATE CARD

21. The application form for requesting the issue of a Corporate Card can be obtained from the Office Coordinator.

SECTION IX – ROLES AND RESPONSIBILITIES

22. Cardholders will assume responsibility for all purchases made with the Corporate Card by adhering to this policy ensuring that no unauthorized purchases are made.
23. Cardholders will be responsible for their checking transactions throughout each month.
24. Cardholders will keep the receipts of all their purchases for reconciliation.
25. Cardholders must ensure that the monthly reconciliation of corporate cards is completed in a timely manner. Reasons for expenditure must also be recorded with the reconciliation.
26. All monthly reconciliations for PASAI staff must be approved by the Chief Executive and the monthly reconciliation for the Chief Executive is approved by the Secretary General.
27. Cardholders must immediately report lost or stolen cards to Westpac Bank and to the Chief Executive and notify the Office Coordinator.
28. Non-compliance with this policy may result in the immediate withdrawal of an Corporate Card.

SECTION X – WHAT CAN THE EXPENSES CARD BE USED FOR?

29. The Corporate Card is used to pay for official PASAI-related expenses only such as:
 - (a) Travels (both international and domestic) which include travel fares, accommodation and/or meals.
 - (b) Goods or services that procure on-line and require use of a Corporate Card

- (c) Other items to be used for PASAI business

SECTION XI – WHAT CAN THE EXPENSES CARD NOT TO BE USED FOR?

- 30. PASAI Corporate Card shall not be used for personal expenses or non-PASAI activities. Any exceptional cases shall be approved by the Chief Executive or the Secretary-General in relation to the Chief Executive. In the exceptional circumstances of the Corporate Card used to cover personal or non-PASAI transactions, the outstanding amount shall be reimbursed to the related PASAI bank account within 15 days from the date the related payment was made.
- 31. The Corporate Card shall not be used for cash withdrawals. The cash withdrawal facility has not been activated for the Corporate Card
- 32. Deliberate or intentional failure to comply with its conditions of use and the mishandling of the Corporate Card may be seen by PASAI as misconduct or fraudulent and may result in disciplinary action and the Card being placed on hold, withdrawn or cancelled.
- 33. In addition, PASAI may seek the reimbursement of losses or costs from the person concerned.
- 34. The PASAI Corporate Card does not replace and is in no way indicates a change in the Procurement Policy.

SECTION XII – SUPPORTING DOCUMENTATION

- 35. Each Cardholder is responsible for obtaining supporting documentation from the suppliers or providers of goods and services for every transaction.
- 36. A receipt is required for every transaction.
- 37. All supporting documentation is to be an original or a certified copy.
- 38. A credit card docket by itself is not an adequate receipt. The supplier's tax receipt containing the date, amount and a description of the transaction must be obtained.

SECTION XIII – LOSS/REPLACEMENT OF AN EXPENSES CARD

- 39. If a Corporate Card is lost or stolen it must be reported immediately to both the Westpac Bank and to the Chief Executive and notify the Office Coordinator.

SECTION XIV – RESIGNATION FROM PASAI

40. When a Cardholder leaves PASAI's employment it is his/her responsibility to return the Corporate Card to the Chief Executive or person in charge of the Secretariat, together with any outstanding receipts.
41. The card is to be forwarded to the Office Co-Ordinator who will advise the Bank to cancel the card immediately.
42. Receipts for un-reconciled transactions are to be retained by the Office Co-Ordinator until the related Statements have been processed and authorized.

SECTION XV - DISPUTED ITEMS

43. If a Cardholder disputes a transaction appearing on their Statement, it must be flagged to the Chief Executive and notify the Office Co-Ordinator who will raise the issue with the Bank to investigate the transaction and have resolve it within 60 days

SECTION XVII- LIABILITY

44. PASAI is liable to the Bank for all charges relating to the Corporate Card; however, the Cardholder may be liable to repay PASAI if they have unreasonably delayed in notifying the Bank that the Card was lost or stolen or have acted fraudulently or in any way contravened this Policy.



PART 3: Reimbursement Policy

SECTION I – PURPOSE AND APPLICATION

1. To provide a statement of the PASAI's requirements, procedures and constraints for staff reimbursement paid for by PASAI.
2. This policy has been established to provide guidelines on PASAI reimbursement for those expenses incurred by PASAI employees or PASAI approved personage by the Chief Executive on PASAI business. It is PASAI policy to reimburse employees for all expenses that are practical, essential, and actually incurred on justifiable authorized PASAI business.

SECTION II – SCOPE

3. This Policy applies to all PASAI staff, consultants and personages approved by the Chief Executive.

SECTION III – INTERPRETATIONS

<i>Expense(s)</i>	means work related expenditures essentially incurred by PASAI staff or personages approved by the Chief Executive in accordance with the parameters of this policy.
<i>Reimbursement</i>	means payment to PASAI staff member for appropriate expenses incurred on approved PASAI business in accordance with this policy. The payment will generally be on the basis of actual and reasonable expenditure supported by original receipts. There are exceptions however, which are specified in this policy. All Reimbursements will be on the basis of a Staff Expense Claim approved in accordance with this policy.

SECTION IV – POLICY

4. PASAI shall pay directly all its expenses through its normal procurement processes, acknowledging that where there are cases where this is not possible, PASAI has a reimbursement policy.
 5. Reimbursement of expenses (even though they should ideally be approved in advance) will generally be made on the basis of evidence of actual and reasonable expenditure supported by original receipts or other evidence
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Non-reimbursable expenses

6. Expenses of a personal nature shall not be reimbursable but shall be paid for directly to the service provider unless prior approval has been given by Chief Executive for exceptional circumstances. These non-reimbursable expenses may include:
 - (a) Mini-bar usage
 - (b) In-room movies
 - (c) Expenses for travel companions or family members
 - (d) Other personal costs such as personal postage costs, recreational activities, sightseeing, or private travel while on a business trip.
 - (e) Personal expenses
7. Staff shall not be reimbursed for purchases of capital assets.

Reimbursement and reconciliation of expenses

8. All expenses approved for reimbursement shall be claimed on the PASAI Reimburse Request Form.
9. PASAI reserves the right to reasonably decline reimbursement of expenses claimed more than 14 days after the purchase of the goods and services and where a reasonable explanation if called for is not supplied.
10. Reimbursement shall be processed on the basis of receipts supplied.
11. Individual expenses are to be itemised on the form, and an original receipt for all expenses claimed shall be attached to the claim.
12. The PASAI Reimbursement Request Form shall be signed by the person claiming Reimbursement.
13. Receipts for expenditure in New Zealand must meet IRD requirements for tax invoices. Credit card dockets are not adequate for reimbursement purposes. The merchant's receipt showing what was purchased shall be obtained and attached to the PASAI Reimbursement Request Form.
14. PASAI reserves the right to reasonably decline reimbursement of expenses which are not supported by a New Zealand GST invoice, or for invoices where relevant in other jurisdictions.
15. Foreign currency conversions on expense claims are to be at the rate at which the foreign currency or credit card payment was purchased or made. That rate will need to be supplied by way of a copy of the credit card statement, or receipt for the purchase of

the foreign currency attached to the PASAI Reimburse Request Form.

16. No one is to approve a claim of someone on the same or a higher level, and no-one may approve their own expense claim.
17. Expense claims which includes entertainment may be approved by the most senior attendee if there are no authorised officer available.
18. Incorrect or incomplete expense claims will be returned to the person concerned for correction of the defect prior to reimbursement being made. Examples are missing receipts, inappropriate signatures, etc.
19. The supervisor or other authorized person must verify that expenses and expense reports meet the following criteria:
 - (a) The expense was incurred while conducting PASAI business;
 - (b) Business purpose of the expense is valid and directly related to official PASAI business;
 - (c) The information contained on the expense report and in the attached documentation is accurate and in accordance with this policy;
 - (d) Budget is available for the reimbursement.



PART 4: Asset Policy

SECTION I – PURPOSE AND APPLICATION

1. The purpose of the Asset Policy is to provide guidance on managing PASAI's assets

SECTION II – SCOPE

2. This policy applies to all PASAI Staff and to all PASAI assets

SECTION III – INTERPRETATIONS

<i>Asset categories and classes</i>	a way of grouping together assets that have the same characteristics, for the primary purpose of being able to summarise the information.
<i>Depreciation</i>	refers to the loss in value of an asset due to its used, obsolete, deteriorate, etc.
<i>Fixed Asset</i>	includes items such as plant and equipment, transport, furniture and fittings, computer and electronic sources (i.e computer software, database, and licences).

SECTION IV – POLICY

3. The type of asset in the PASAI Secretariat can be described by their nature as Fixed Assets.
4. Fixed asset shall be capitalised and depreciated over their useful lives. Assets within the same class would typically have similar expected useful lives, and therefore be depreciated at the same rate.
5. The Chief Executive shall determine whether expenditure should be treated as capital or operating expenditure in accordance with this policy. The diagram in **Appendix I** provide guidance on what asset qualifies as capital expenditure.
6. The capitalisation thresholds (effective 1 January 2012) are:
 - Computing equipment \$1,000 and over; and
 - Other Items costing \$5,000 and over.

Depreciation rate

7. Depreciation in respect of assets shall be calculated at the rates determined by the Chief Executive from time to time.
8. The depreciation rate shall be as follows:
 - (a) 25% for Office Fit-out
 - (b) 10% for Office and Furniture equipment
 - (c) 40% for Computer Equipment

Procurement of Asset

9. The decision to procure assets shall be based on an appropriately identified and assessed requirement, budget availability and an approval process that complies with the PASAI's Financial Delegations Policy.
10. Asset procurement processes shall be followed and used in conjunction with authority issued to staff as part of its delegations framework.
11. Purchases entered into on behalf of PASAI must be authorised by the Chief Executive or another staff with the appropriate financial delegation.

Financial Justification

12. Financial Justification Form shall be completed by the requester before purchase arrangements are entered into. Financial Justification Form is shown in Appendix II.
13. The Financial Justification Form shall clearly outline reasons for capital proposal and shall ensure that:
 - (a) the expenditure meets the criteria for capital expenditure and
 - (b) an allocation or budget is available for the expenditure.
14. All purchasing of asset shall ensure that:
 - (a) the financial justification to support the asset purchase has been approved; and
 - (b) all assets are to be procured in accordance with the PASAI procurement policy and guidelines.

Assets Register and tag

15. All fixed assets accruing to or acquired by PASAI that cannot be regarded as consumable, as determined by the Chief Executive, must be recorded in PASAI's Fixed Asset Register (FAR) and classified under relevant asset categories.
16. Asset categories shall be determined by the Chief Executive. The current categories include:
 - (a) Computer Equipment
 - (b) Office Fit-out
 - (c) Office Furniture & Equipment
17. Any item purchased that under the capitalisation thresholds value in policy 6, with anticipated useful lives aligned to items of higher value, the Chief Executive shall consider whether to also record the item in the FAR to enhance security over item.
18. All assets entered in the PASAI Fixed Asset Register shall be identified and being tagged. This is essential as asset tagging provides security over the ownership and items PASAI is responsible for.
19. Upon delivery, assets shall be tagged on receipt at the Secretariat and tags shall be placed in an easily identifiable position that does not interfere with the operations of the asset.

Asset stocktake

20. A physical stocktaking of all fixed assets of PASAI must be carried out at least once annually and compared with the PASAI fixed asset register.
21. Stocktakes of asset shall be performed on annual basis to ensure the information on the Asset Register is up to date. The Chief Executive shall determine the time for annual stocktake of assets.
22. The stocktake procedures shall include :
 - (a) obtaining the current PASAI Fixed Asset Register;
 - (b) agreeing on the date(s) for stocktake and inform the staff members;
 - (c) confirming the items details are correct;
 - (d) for assets located off-site, certification must be given from the staff member concerned that the asset in his/her possession and is in good condition;
 - (e) adding new labels/tag to any new item of equipment found and not entered in the Fixed Asset Register;
 - (f) etc.

Removal of assets off-site

23. No assets or item is to be removed from the Secretariat office without approval from the Chief Executive.
24. All assets approved to be taken off-site shall complete a PASAI Off-Site Asset Authority form in Appendix III. In the case of PASAI equipment being used off-site for the purposes of enabling staff to work from home the form included in Appendix III can be used to record the authority for the equipment to be taken off site for this purpose without specific dates being recorded.

Asset disposal

25. Approval to dispose PASAI asset must be obtained before the asset can be physically disposed (except where the asset is stolen or lost).
26. Every disposal of PASAI assets shall be approved using the Asset Disposal Form in Appendix IV.
27. All assets to be disposed shall ensure that Asset Disposal Form is completed and the Fixed Asset Register is updated to remove those assets.
 - (a) For assets traded-in, the Asset Disposal Form shall be attached to the Financial Justification Form of the replacement asset.
 - (b) For asset sold by PASAI the PASAI receipt and documentation shall be attached and deposit proceeds into the appropriate PASAI accounts.
 - (c) For asset disposed by other means, the necessary supporting documents shall be attached.

Asset write-off

28. Assets may be written off in under rule 8(ii)(b).
29. The Office Coordinator shall keep a register of all write-offs, losses or damages and, if such write-offs, losses or damages are insured, they must be claimed from PASAI insurers as soon as possible.
30. No losses or damages shall be written off except under rule 8(ii)(b).
31. Write-offs, losses or damages of a material nature and extent must be included in PASAI's annual report.

Personal use of PASAI assets

32. No officer or employee of PASAI may use property of PASAI for personal or any non-official purposes unless authorized by the Chief Executive to do so (or, in the case of use by the Chief Executive, the Secretary-General).

Transfer of asset to PASAI

33. in the event where assets owned by other organisations are transferred to PASAI's ownership, the Secretariat shall ensure that:
- (a) a proper background check of the organisation who transfer the asset that it is a genuine and valid transaction;
 - (b) the asset is formally released into PASAI's custody by ensuring that the proper Disposal/Transfer procedure for is met;
 - (c) the Financial Justification Form is fill out to seek approval and substantiate the reasons and cost, if any, for taking on the new asset;
 - (d) the asset is recorded in PASAI's Fixed Asset Register;
 - (e) if the asset is transferred for no consideration (cost) to PASAI the asset must still be recorded on the Fixed Asset Register (FAR) but at nil value.

Insurance claims

34. All assets of PASAI shall be insured with appropriate insurance company.
35. Where a PASAI asset is lost or maliciously damaged, the Secretariat shall ensure that:
- (a) a claim can be made to PASAI's insurance brokers;
 - (b) a police report is lodged if required;
 - (c) a claim is lodged in accordance with procedures provided by PASAI's insurance brokers;
 - (d) a record is made of the loss of an existing asset and the procedure of disposing an asset is followed.
36. Any purchase of new asset using insurance proceeds shall:
- (a) complete a Financial Justification form for the purchase of a replacement asset;
 - (b) attach evidence of receipt of insurance proceeds for approval;
 - (c) purchase the replacement asset;
 - (d) record details of asset procured and acknowledge in the record the receipt of insurance proceeds .



PART 5: Policy for Receipt of funds from External Parties

SECTION I – PURPOSE AND APPLICATION

1. The purpose of this policy is to set out the Policy for Receipt of funds from External Parties to PASAI.

SECTION II – SCOPE

2. This policy applies to:
 - (a) PASAI's office holders (including the Chairperson, members of the Governing Board, the Secretary-General, and their delegates); and
 - (b) PASAI's staff (including the Chief Executive, employees, consultants, and contractors).
3. This policy covers:
 - (a) The authority to enter arrangements for the receipt of funding from external parties ("funding arrangements"), with the associated contractual commitments ("funding contracts").
 - (b) The authority to agree to variations to existing funding contracts.
 - (c) Responsibility in respect of reporting, acquittal, etc.
4. The policy is approved by the Governing Board, and constitutes a formal delegation of the Governing Board's authority.

SECTION III – POLICY

Authority to enter funding arrangements

5. All funding arrangements must be supported by written documentation, which:
 - (a) clearly states the amount of the funding, and precisely identifies the activities to be funded;

- (b) links the activity back to PASAI's Long Term Strategy and the relevant 5-year Operational Plan;
 - (c) contains specific provisions in respect of monitoring and reporting to the funder in relation to the expenditure of the funds; and
 - (d) clearly states PASAI's obligations in respect of acquittals, including whether any obligation exists to refund any unspent funds.
6. The written documentation should include a signed funding contract between PASAI Incorporated (the entity through which PASAI enters legal obligations) and the funding entity. Reliance on email exchanges or oral communications to support a funding arrangement is insufficient, and may result in unclear or ambiguous legal obligations. Such communications should not be understood to form part of a funding arrangement, unless expressly incorporated into the signed funding contract.
 7. Any funding contract involving pooled funding must include provisions which clearly identify the funder's expectations in that regard, and record PASAI Incorporated's legal obligations in relation to how the pooled funds are to be managed, applied, and accounted for. Those provisions need to be consistent with the equivalent obligations in respect of other funds contributed to the same pool.
 8. The authority to enter a funding contract rests with the Governing Board, in accordance with Article 8, section 5 and Article 12 of PASAI's Charter which states that the Governing Board has power to enter legal obligations on behalf of PASAI and may delegate its financial powers to the Secretary-General or the Chief Executive.
 9. The Governing Board delegates the power to sign a funding contract as follows:
 - (a) The Chairperson may sign a funding contract on behalf of the Board where the Board has approved the contract.
 - (b) The Secretary-General may sign a funding contract if the Chairperson is unavailable, or if the agreement requires to be signed between meetings of the Governing Board and/or the Chairperson is not available.
 10. PASAI shall source appropriately skilled legal resource whether made available by the Office of the Secretary-General, or a contracted lawyer or expert in contract negotiation (referred to in this policy as a "legal resource") to assist with the negotiation of any major or complex funding contract, in consultation with the Secretary-General and the Chief Executive.
 11. As a matter of policy, the signing of a significant funding contract should always be on the advice of the Chief Executive, supported by written legal advice (obtained from a source independent of the negotiation team or person responsible for leading the negotiation).

Contract variations

12. Any variation to a funding contract (including in respect of the term, amount, or conditions of funding) must be recorded in writing and signed in accordance with this policy. An exchange of emails or oral communication may not be sufficient on its own to amount to a variation of a contract, and reliance on such communications should be avoided for the same reasons as set out in paragraph 6 above.
13. Negotiation of any significant variation of contractual terms should be supported by a legal resource, in accordance with paragraph 10 above.
14. The Chief Executive may sign a funding contract variation if:
 - (a) its only effect is to extend the term of the contract to allow the funded activity to be completed within a timeframe that has already been approved by the Governing Board (for example, through the 5 year Operational Plan);
 - (b) there is no impact on the amount of the funding or the scope of the funded activity, and no amendment to any contractual obligations; and
 - (c) A legal resource has reviewed the proposed variation and provided written advice that it poses no legal risk for PASAI.
15. The Chief Executive may also approve a change to the terms of reference of an externally funded consultant (for example, a consultant engaged by the Asian Development Bank), provided there is no change to the scope, funding, or term of the relevant funding contract.
16. The Chief Executive must inform the Governing Board within one week of any approval given under paragraph 10 or 11.
17. Any other variation must be signed by the Chairperson or the Secretary-General, in accordance with paragraphs 9 and 11 above.

Monitoring, reporting, acquittal etc

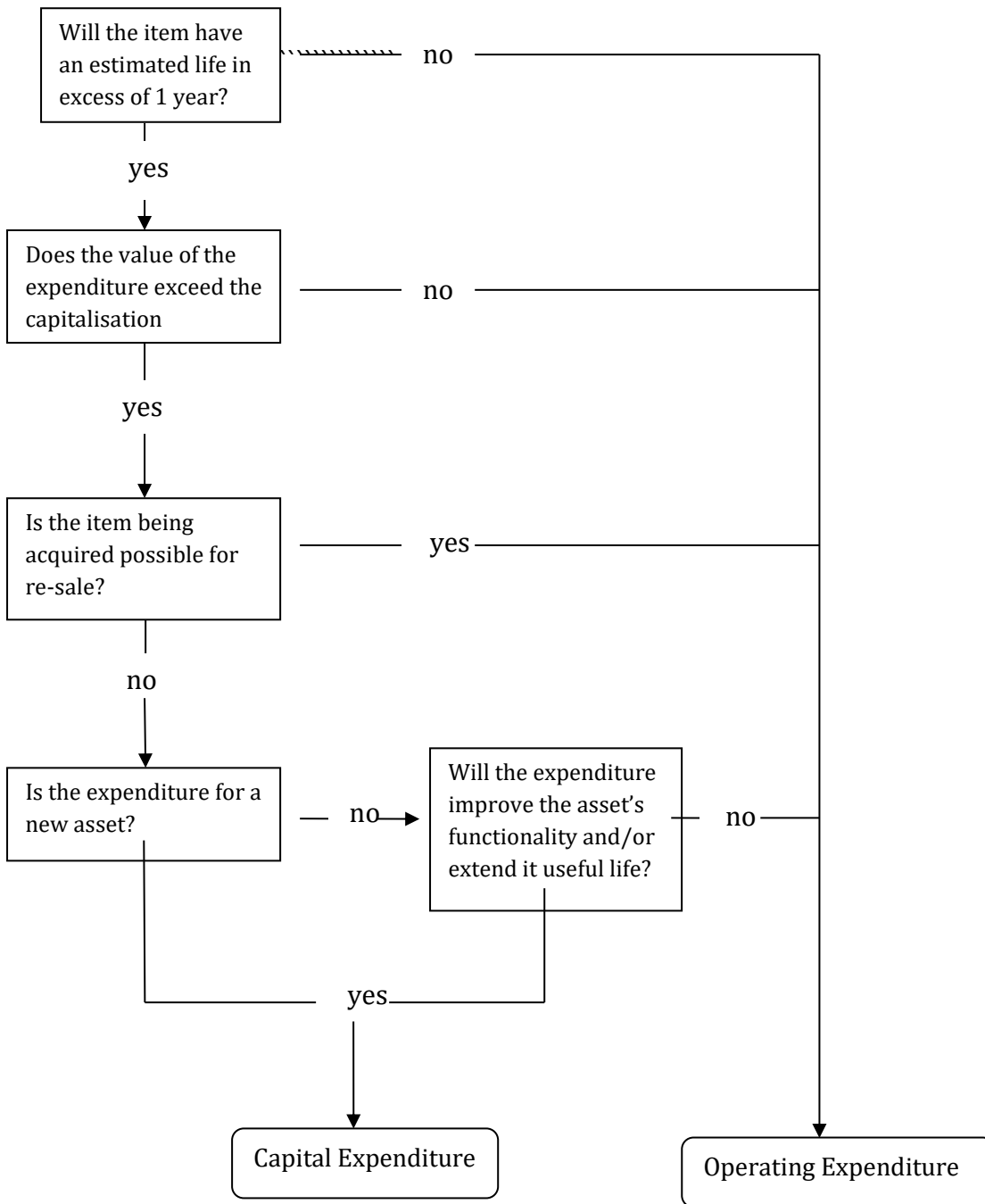
18. At the outset of any funding arrangement, the Secretariat must ensure that the necessary systems and controls are in place so that PASAI can monitor and report on the implementation of the arrangement, including in respect of:
 - (a) the delivery and completion of the funded activity; and
 - (b) the tracking of, and reporting on, expenditure to the extent required by the funding contract.

The Chief Executive is responsible to the Governing Board through the Secretary-General for meeting this requirement.

19. The Chief Executive is also responsible for monitoring the implementation of all PASAI's funding arrangements, and for completing and submitting all reports required by funders in a timely and effective manner. PASAI's approach to reporting should not only meet its legal obligations, but also give practical effect to the development partner relationship.
20. The Chief Executive must inform the Secretary-General, and take advice from a legal resource, before submitting any regular report that discloses:
 - (a) anything that might be perceived as a failure of performance in delivering the funded activity, whether in terms of actual delivery, quality, timeliness, or cost; or
 - (b) a potential breach of any condition of the funding contract.
21. The Chief Executive is also responsible for preparing any required completion report on the termination or the expiry of the contract, and must:
 - (a) refer a draft of the report to a legal resource for comment before finalising it; and
 - (b) obtain the approval of the Secretary-General to the contents of the report before submitting it.
22. Any final acquittal report, in relation to the application of funds, must be signed by the Secretary-General (whether or not any obligation arises to return any unspent funds).
23. The PASAI Governance and Operational Policy, PASAI Human Resources Policy, PASAI Financial and Asset Management Policy, PASAI Health and Safety Policy, PASAI Child Protection Policy, PASAI Procurement Policy, PASAI Risk Management Policy, PASAI, Fraud Control Policy, PASAI Whistleblowing Policy, PASAI Guidelines for using social media, and PASAI Gender Policy shall be observed in all travels on PASAI event or program funded by an External Party. This includes completing any required forms prior to starting the travel and making any required disclosures.

APPENDIX I – WHAT QUALIFIES AS CAPITAL EXPENDITURE?

Follow the diagram below to determine whether expenditure should be treated as capital or operating expenditure:



APPENDIX II – PASAI FINANCIAL JUSTIFICATION FORM



PASAI FINANCIAL JUSTIFICATION FORM

Capital Expenditure Details		
Title/Description:		
New	<input type="checkbox"/>	Total Cost NZD: \$
Replacement	<input type="checkbox"/>	Old Asset #:
		Date of Acquisition:
		Current Book Value:
		\$

Justification *(What are the key issues and impact? How does this fit in with the mission, goals and strategies of PASAI?)*

What other alternatives have been considered?

What are the key risks of purchasing and acquiring? *(e.g safety, other cost implications such as set up, installation, insurance, maintenance)*

What are the key risks of not purchasing and deferring the item?

Justification approval	
Proposed by:	Date:
Approved by:	Date:

Asset recorded on the Fixed Asset Register after purchase.

FAR reference:

APPENDIX III – PASAI OFF-SITE ASSET AUTHORITY FORM



PASAI OFF-SITE ASSET AUTHORITY FORM

Individual Items Details	
Title/Description:	
Make:	
Model	Serial number:

FAR reference:

Staff Name:
Date asset taken off-site:
Date asset to be returned:
Address asset taken to:
Reasons for asset being taken/located off-site:

I, [staff member name] agree to be responsible for the safeguard of the item(s) while in my possession, and return the item(s) in good working condition on the specified date or the conclusion of my employment.

Signed by staff member: _____

Date: _____

Approved by: _____

Date: _____

To be completed when item(s) is (are) returned in good working condition	
Staff's signature:	Date:
Confirmation (Chief Executive):	Date:

APPENDIX IV – PASAI ASSET DISPOSAL FORM



PASAI ASSET DISPOSAL FORM

Individual Items Details	
Description of item to be disposed:	
Asset Number:	
Model:	Serial number:

Reference
Asset Policy:
Fixed Asset Register:

<input type="checkbox"/>	Donated to: (Please attached documentation)	Date:
<input type="checkbox"/>	Traded in for: NZD To (company):	Date:
<input type="checkbox"/>	Sold for : NZD\$ To:	Date:
<input type="checkbox"/>	Broken/Dumped:	Date:
<input type="checkbox"/>	Stolen/Missing: (Please attached documentation for insurance)	Date:
<input type="checkbox"/>	Other (Specify): (Please attached documentation)	Date:

Justification
Provide justification (if loss on disposal is likely to be or is greater than \$5000):

Approvals to proceed with disposal/transfer
Staff's signature: Date:
Approved by: Date:

Disposal processed in FAR. Date: