Melbourne Archdiocese
Catholic Schools

Finance and Accounting Policy

MARYMEDE CATHOLIC COLLEGE
In the way of Mary

1. Introduction

Melbourne Archdiocese Catholic Schools Ltd (MACS) is a company limited by guarantee established in 2021 by the Archbishop of the Catholic Archdiocese of Melbourne to assume the governance and operation of MACS schools across the Archdiocese of Melbourne. MACS subsequently established Melbourne Archdiocese Catholic Specialist Schools Ltd (MACSS) to provide educational services to children with diverse needs and Melbourne Archdiocese Catholic Schools Early Years Education (MACSEYE) to provide early years care and education services.

The Statement of Mission in the MACS Constitution, and the constitutions of its subsidiaries, MACSS and MACSEYE, sets out the Archbishop's expectations of Catholic schooling in the Archdiocese and provides an important context and grounding for the company and the direction which the MACS Board must always observe in the pursuit of the company's objects.

The Board must ensure that all policies and procedures concerning the operations of MACS, and its subsidiaries are consistent with the Statement of Mission and company objects, as well as any directions issued by the Archbishop from time to time.

2. Purpose

This policy sets out the overarching principles for financial management across MACS offices and MACS schools. It provides the necessary framework in ensuring that the financial activities are conducted ethically, accurately, accountably, transparently, and in compliance with:

- Australian Accounting Standards (AASB)
- Australian Charities and Not-for-profits Commission (ACNC) obligations
- Relevant tax and employment laws
- Education sector-specific compliance including Victorian Registration and Qualifications Authority (VRQA), Victorian Catholic Education Authority (VCEA), Department of Education (DE) and
- Other applicable laws and regulations.

3. Scope

This policy applies across all MACS offices and MACS schools, including specialist schools operated by MACS subsidiary MACSS. It covers all individuals involved in or supporting the financial management of MACS, including members of the MACS Board of Directors and Board Committee, Executives, Principals, Employees, Volunteers, Contractors, and Consultants (collectively **Staff**). This includes those with delegated authority to make financial decisions, as well as those responsible for recording, processing, reconciling or reporting financial transactions.

MACSEYE develops and operates under its own suite of policy frameworks and is therefore not governed by this policy.

4. Principles

All financial practices at MACS are underpinned by the following principles:

- **Accountability**: clear and appropriate lines of responsibility and delegation over all financial activities and outcomes.
- **Transparency**: accurate and timely financial records and reporting of financial transactions to enable informed decision-making and build trust with stakeholders.
- **Compliance**: adherence to all relevant legislation, accounting standards, funding requirements, and other MACS policies and procedures.
- **Efficiency**: optimal use of financial and operational resources to support the delivery of organisational objectives and MACS 2030 strategy.

- **Integrity**: uphold ethical practices in all financial dealings, guided by Gospel values, ethical standards, and commitment to socially responsible outcomes.

5. Policy

All MACS staff, as well as authorised representatives, are required to uphold the following guidance in execution of their financial responsibilities.

5.1. Compliance with delegations

All finance and accounting processes are carried out in accordance with the Instrument of Delegation, ensuring that financial authority is exercised appropriately and within approved limits.

5.2. Sound internal controls and segregation of duties

Strong internal controls must be in place to protect MACS assets and mitigate the risk of fraud, error, or misuse.

The segregation of duties must be applied so that no single individual has complete control over a financial or operational process.

5.3. Compliance monitoring and audit

Regular internal audits and reviews will be conducted to monitor compliance with this policy and all related procedures.

System controls will be maintained to ensure consistent application of financial processes.

Identified non-compliance will trigger appropriate corrective actions, which may include additional training, process update, or disciplinary action where required.

5.4. Key financial areas

The following summarises key financial areas and their respective requirements. Detailed operational procedures are outlined in the Finance and Accounting Procedures Manual.

Key financial areas and requirements

Finance Function	Key Requirements
Balance Sheet	
Accounts receivable	• MACS invoices, including school fees and other services, should be issued promptly and accurately, in alignment with the relevant school year, term schedule, or service period. This is to ensure tuition fees and other service income is recorded in the financial year in which it is earned, in accordance with accrual accounting principles. • All payments received must be receipted and recorded promptly to ensure timely reconciliation and integrity of financial records. • Access to the debtor master file must be restricted to authorised staff only, ensuring data integrity and confidentiality. • Debtor ledgers must be reconciled regularly with the General Ledger, in accordance with the Balance Sheet Reconciliation Procedure, to ensure data accuracy and completeness. • Aged debtor reports must be reviewed, at a minimum, monthly to identify overdue balances and support proactive debt recovery. • A provision for doubtful debts must be calculated using the standard template distributed by Group Finance to ensure compliance and consistency. • Adequate segregation of duties must be maintained. Invoicing, receipting, and account reconciliation must be performed by separate staff to reduce the risk of error or fraud.

Finance Function	Key Requirements
Debtor management and recovery	• Schools must actively support families in understanding their obligation to pay fees and levies and the impact of unpaid fees on the school's ability to deliver quality education. • Schools are strongly encouraged to have cashless form of fee payment, with direct debit as the preferred method. • If families fall behind on payments, debt recovery actions must be promptly initiated, including initial follow-up, issuance of a first formal letter and issuance of a second formal letter. • Debt collection services may be engaged only after the above steps are completed, and MACS Legal must be notified. • As a final step, legal proceedings may be issued at court or the Victorian Civil and Administrative Tribunal (VCAT) after consulting with the MACS Legal team and obtaining approval in accordance with the MACS Instrument of Delegation. • In the event the debt collection strategies have been unsuccessful, schools are not to terminate enrolment of existing student(s).
Fixed assets	• All fixed asset acquisitions must comply with the Procurement and Contract Management Policy to ensure consistency, value for money, and transparency. • The purchase, disposal, and subsequent maintenance and improvement of fixed assets must be approved in accordance with the Instrument of Delegation. • Fixed assets must be recognised in accordance with the fixed asset recognition criteria under AASB 116 – Property, Plant and Equipment Accounting Standard and MACS capitalisation threshold outlined in the Fixed Asset Procedure. • Minor assets below the capitalisation threshold must be treated as operational expenditure. • All assets must be securely stored, appropriately safeguarded, and maintained in good working condition by the individual MACS school or the relevant MACS office department responsible for holding or using the asset. • A complete and up-to-date Fixed Asset Register (FAR) must be maintained within the relevant financial system. • A stocktake must be conducted on a regular basis to confirm asset existence and FAR accuracy outlined in the Fixed Asset Procedure. • Insurance for MACS-owned assets is arranged and administered centrally through the MACS Office to ensure adequate coverage and efficient claims management.
Intangible assets	• All intangible asset purchases and acquisitions must comply with the Procurement and Contract Management Policy to ensure consistency, value for money, and transparency. • Recognition and subsequent movement of intangible asset must comply with AASB 138 - Intangible Assets Accounting standard and MACS capitalisation thresholds. • The decision to capitalise intangible assets must only be made by Group Finance. Schools wishing to recognise an intangible asset must submit a request with relevant supporting documents to Group Finance for approval.
Lease assets	• The decision to lease or purchase an asset must be made by the appropriate authority in accordance with the MACS Instrument of Delegation. • A signed lease agreement must be in place prior to the first payment being made under the lease arrangement.

Finance Function	Key Requirements
	• Group Finance is responsible for managing the accounting treatments of all leases, from both lessor and lessee's perspective, across MACS office and MACS schools, ensuring accuracy and compliance with AASB 16 Leases Accounting standard. • Lease information must be submitted to Group Finance immediately upon execution of the lease agreement, to allow for timely recognition and reporting. Any amendments to the original lease terms (e.g. extensions, modifications, or early terminations) must also be promptly communicated to Group Finance.
Accounts payable and expense reimbursement	• All purchasing and expense reimbursement payments must comply with the Procurement and Contract Management Policy, Travel Policy, Financial Records Procedure, and must be appropriately approved in accordance with the Instrument of Delegation. • An eRequisition must be submitted and approved prior to raising a Purchase Order (PO) for all purchases over the established eRequisition threshold. All travel, professional learning activities and multi-invoice contracts require an eRequisition regardless of value. • A three-way match (invoice, PO, and delivery note) is required prior to processing payment to ensure completeness and accuracy. • The Accounts Payable team must regularly reconcile the Accounts Payable ledger to the General ledger, in accordance with the Balance Sheet Reconciliation Procedure. • Expense reimbursements are permitted only when pre-approved, supported by original documentation, and compliant with all relevant internal policies and procedures. • Adequate segregation of duties must be maintained across the purchasing and payment process. Different staff must be responsible for purchasing, goods receipt, approval of expenditures, payment processing, and Accounts Payable ledger reconciliation.
Provisions	To comply with *Provisions, Contingent Liabilities and Contingent Assets*, a provision must be recognised when: • MACS has a current financial obligation to pay another party arising from a past event i.e. this may be a legal obligation or a commitment that cannot reasonably be avoided • it is probable that payment will be required to settle the obligation and • the amount can be reasonably estimated.
Profit and Loss (Operational)	
Overall income recognition and management	Grant income, tuition fees and other service income must be recorded in the financial year it is earned, in accordance with accrual accounting principles and the Australian Accounting Standards requirements.
Expense control and governance	• All spending across MACS must be carefully assessed to ensure it is reasonable, justified, business related, ensuring the appropriate use of funds and minimisation of Fringe Benefit Tax (FBT) exposure. • All purchases, including expense reimbursement must comply with the Procurement and Contract Management Policy, ensuring that procurement decisions are made with probity, accountability and transparency. • Salaries, wages, and related on-costs must be effectively managed, ensuring alignment with the applicable Catholic Education Multi Enterprise Agreement (CEMEA) and relevant awards. Any employee benefit exceeding the current CEMEA requires written approval from the appropriate delegate.

Finance Function	Key Requirements
	• All gift, entertainment, and meal entertainment expenses must be pre-approved in accordance with the Instrument of Delegation and must be reasonable and assessed to minimise FBT. • Food, drink, or recreation expenses must be carefully assessed by considering the type, location, purpose, and timing of the food or drink provided, to ensure any potential FBT exposure is appropriately managed. MACS offices and its schools are responsible for ensuring full compliance with FBT obligations and should refer to the ATO's not-for-profit guidance on meal entertainment and FBT. • Expense control and governance is maintained through the quarterly review of management financial reports, which assess actual financial performance against approved budgets and ensure variances are properly explained and monitored.
Grant income	• Grant income is the most significant source of revenue for MACS. It includes recurrent funding from both Commonwealth and State Government, as well as capital grants and other targeted program funding. • All payments received must be promptly and accurately recorded under the correct grant income General Ledger codes and reviewed by relevant finance team(s). This ensures that financial records remain reliable, reconciled to support accurate reporting. • Any phasing of grant income will be determined by Group Finance and must be in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*. • Correct and timely reporting of Grant Income to the VCEA and Government bodies is required, as referenced in the Financial Closure and Reporting section of this policy.
School trading activities	• Specified trading activities (e.g. canteens, uniform shops and book shops) support school operations and may be run by the school, a third-party provider, or Parents and Friends Associations. • These activities must be financially viable and self-sustaining. • Principals are responsible for ensuring compliance with relevant MACS policies and procedures in the management of specified trading activities and other private income sources. This includes the appointment of a third party external service providers in line with the Procurement and Contract Management Policy.
MACS levy	• Under the MACS governance structure, the MACS office is authorised to seek a contribution levy from MACS schools to fund the delivery of governance, strategy, management and other centralised services. • The MACS levy is determined through an Activity-Based Costing (ABC) exercise, conducted periodically in line with relevant financial and operational frameworks. This exercise identifies the cost of services provided to MACS schools. • MACS Finance and Audit Board Committee reviews levy amounts for various school types to the MACS Board for approval before 31 December for implementation in the following year. • Finalised MACS Levy amounts will be communicated to MACS schools as part of the annual budgeting process, to support school planning and financial forecasting.
Credit cards	• All credit card activities must comply with the **Payment Card Industry Data Security Standard (PCI DSS v4.0)** and the ***Privacy Act 1988* (Cth)**. • All credit card use must reflect the highest standards of integrity, professionalism, and align with MACS' organisational values and Code of Conduct for MACS Staff.

Finance Function	Key Requirements
	• Credit cards are used only for low-value, ad hoc, or time-sensitive purchases where alternative payment methods (i.e., EFT or BPAY) are not practical. Typical examples include travel, professional development, or online transactions without invoice options. • Credit cards must be used exclusively for legitimate business-related expenditure for MACS office and MACS schools. Personal use of business credit cards is strictly prohibited. • Adequate segregation of duties must be maintained across all aspects of credit card management, including card issuance, approval, reconciliation, and audit, to ensure transparency and reduce risk. • All credit card use must comply with internal controls, delegation limits, and reconciliation requirements. • All credit card transactions must be supported by valid tax invoices/receipts and approved in accordance with MACS Instrument of Delegation. The acquittals of credit card transactions must be carried out on a monthly basis.
Payroll	Legal and Regulatory Compliance • All payroll activities must comply with applicable Australian workplace laws, including the *Fair Work Act 2009 (Cth)*, relevant industrial instruments (e.g. CEMEA or other applicable awards), and associated taxation and superannuation obligations (e.g. PAYG withholding, Superannuation Guarantee). • MACS must maintain accurate employee records and issue compliant payslips (detailing their earnings, deductions, and entitlements) in accordance with the *Fair Work Act 2009 (Cth).* Accuracy and Timeliness of Payments • Employees must be paid accurately, on time, and in full, including all contractual entitlements, allowances, overtime, loadings, and statutory deductions. • Payroll payments, exceptions, and adjustments must be reviewed against relevant employment agreements and authorised in accordance with the MACS Instrument of Delegation • All payroll transactions must be supported by appropriate documentation (e.g. contracts, timesheets, and approvals) and securely maintained in accordance with the Financial Records Procedure. • Payroll processing and approval duties must be clearly segregated to protect the integrity of payroll data and reduce the risk of error or fraud. Transparency and Communication • Payroll processes must be transparent, and employees should be informed of any material changes affecting their pay.
Taxation	
Taxation	• MACS must comply with all taxation registration, withholding, and reporting obligations in accordance with Federal and State taxation legislation. • Group Finance is responsible for monitoring changes to relevant taxation laws and regulations to ensure MACS remain compliant with current legislations and affected stakeholders are well communicated. • This covers all relevant taxes, including but not limited to Goods and Services Tax (GST), Fringe Benefits Tax (FBT), Pay-As-You-Go (PAYG), and Payroll Tax (where applicable).

Finance Function	Key Requirements
	• Finance staff responsible for taxation management, along with relevant stakeholders, must maintain accurate and complete records to ensure tax compliance and audit readiness.
Financial Control and Compliance	
Balance sheet reconciliation	• All balance sheet accounts must be reconciled on a regular basis, ensuring financial accuracy, risk management and compliance with internal control requirements. A risk-based approach must be applied when determining the frequency of reconciliations. Accounts considered higher risk due to materiality, transaction volume, or complexity must be reconciled more frequently. All balance sheet accounts must be reconciled **at least quarterly** and at year-end, regardless of risk level, with bank accounts reconciled monthly • Reconciliations must be prepared and reviewed by separate staff, ensuring a clear segregation of duties between the preparer and the approver. • Each reconciliation must be fully supported by appropriate documentation, which must be securely stored within the approved financial systems. • Reconciling items must be reviewed and resolved promptly, with material variances and manual adjustments subject to review by senior finance staff.
Financial records	• MACS must keep financial records that comply with the legal requirements of the Australian Taxation Office and the *Australian Charities and Not-for-profit Commission Act 2012* (ACNC Act). • It is the responsibility of MACS senior roles to ensure that staff comply with all financial record keeping obligations. • All financial records are retained in a secure but accessible location for a minimum of **seven years**, unless a longer period is required by legislation, funding agreements, or regulatory bodies. • Records (whether they are in digital or hardcopy format) must not be destroyed before the minimum retention period has elapsed. Destruction must be in a manner which is legal, timely, authorised, secure, irreversible, documented, safe and environmentally friendly. • All financial records must be securely stored using approved systems and methods with appropriate access controls in place to prevent unauthorised access, alteration, or loss.
External audit	• An annual external audit of the MACS group's financial results is mandatory to satisfy reporting requirements for the Australian Charities and Not-for-profits Commission (ACNC) and the Australian Government Department of Education Online Financial Questionnaire (FQ). • The MACS Board is responsible for appointing an external auditor. The auditor's role includes: – expressing an opinion on the true and fair view of MACS' consolidated financial statements. – assessing the effectiveness of internal controls. – providing a management letter that highlights any findings, recommendations, or areas for improvement. • The external audit is conducted at a consolidated MACS level; individual schools are not required to undertake separate external audits. However, school financial data is consolidated and forms part of the group reporting and audit process to meet ACNC and FQ requirements.
Reporting and Budgeting	

Finance Function	Key Requirements
Financial closure and reporting	• MACS and its schools must adhere to multiple external reporting requirements. The key reporting includes – Annual consolidated financial statements to the ACNC by 30 June – Annual Information Statement (AIS) to the ACNC by 30 June – Grant Acquittals to the VCEA by dates specified annually by the VCEA – Australian Government Department of Education (DoE) Financial Questionnaire (FQ) and Australian Curriculum, Assessment and Reporting Authority (ACARA) submitted to the VCEA at a date determined by the VCEA each year • All of MACS external reporting must comply with Australian Accounting Standards Board (AASB) requirements. • MACS is committed to the timely closure of financial periods to allow for timely reporting. The month-end, quarter-end and year-end timetables are managed by Group Finance to ensure adherence to statutory reporting deadlines and external audit timeline. • Regular management reports, including consolidated financial statements, are prepared at least quarterly and provided to the Finance and Audit Committee and the MACS Board. These reports deliver timely financial insights to support effective governance and strategic decision-making.
Operational and capital budgeting	• Budgeting must support the long-term financial sustainability of MACS office and each school, ensuring responsible use of funds and effective management of financial risks. • Budgets must be developed to best use the available resources to achieve MACS office and MACS schools' educational and operational priorities. • Operational and capital budgets should be prepared within established timelines and based on realistic financial assumptions. Capital budgets should also align with long-term infrastructure and asset planning. • All budgets must be supported by clear documentation that outlines key assumptions, justifications, and financial analysis. • The budgeting process must include meaningful consultation with relevant stakeholders to ensure the budgets are accurate and aligned with operational needs. • Regular monitoring of budget performance is required, with timely analysis of any variances between actual and budgeted figures. Corrective actions must be taken to address any emerging financial risks or issues.

6. Role and reporting responsibilities

Role	Responsibility	Reporting responsibilities
MACS Board	Accountable for the accurate, timely and compliant statutory financial reporting of MACS, including: • Consolidated annual financial statements to ACNC • Annual Financial Statements submissions to VCEA	Annual
	Govern the financial stewardship of MACS	Ongoing
Finance and Audit Board Committee (FAC)	Make recommendations to the MACS Board to assist the Board to fulfil its responsibilities for financial and audit matters	Ongoing
Executive Leadership and Senior Leadership Teams	Lead the preparation of MACS statutory and management reports	Ongoing
	Ensure effective and timely financial insights are delivered to the Board and FAC	Ongoing
	Accountable for the integrity and completeness of financial data across MACS	Ongoing
Principals	Accountable for the integrity and completeness of financial data at the school level	Ongoing
All staff	Adhere to MACS policies and procedures	Ongoing

Additional specific roles and reporting responsibilities are outlined in each corresponding procedure in the Finance and Accounting Procedures Manual.

7. Definitions

Definitions of standard terms used in this Policy can be found in the [Glossary of Terms.]

MACS Staff

The term Staff or staff member refers to all people who carry out work in any capacity for MACS or its subsidiaries and includes MACS board directors, board committee members, employees, volunteers, consultants, contractors, and school advisory council members as the context requires.

8. Related policies and documents

Supporting documents

Finance and Accounting Procedures Manual*

Related MACS policies and documents

Code of Conduct for MACS Staff
Conflict of Interest Policy
Fraud Prevention Policy
MACS Instrument of Delegation
Procurement and Contract Management Policy
Related Parties Policy
Whistleblower Policy

9. Legislation and standards

Australian Charities and Not-for-profits Commission Act 2012
Australian Charities and Not-for-profits Commission Regulation 2022
School Assistance Act 2008
Fair Work Act 2009
FBT and Entertainment for not-for-profit and government organisation
VRQA Minimum Standards and School Registration

Policy information

Sponsoring executive	Director, Finance, Infrastructure and Digital
Policy owner	General Manager, Group Finance
Approving authority	MACS Board
Assigned board committee	Finance and Audit
Approval date	3 December 2025
Risk rating	Extreme
Review by	Dec 2026
Publication	Gabriel, CEVN

POLICY DATABASE INFORMATION	
Assigned framework	Financial
Supporting documents	Finance and Accounting Procedure Manual
Superseded documents	Accounts Payable and Expense Reimbursement Policy – MACS Office (2022) Accounts Receivable Policy – MACS Office (2021) Asset Accounting Policy – MACS Office (2021) Balance Sheet Reconciliation Policy – MACS Office (2021) Contribution Levy Policy (2022) Debtor Management and Recovery Procedures (2024) Financial Reporting and Controls Policy – Schools (2023) Fixed Assets and Depreciation Policy – Schools (2023) External Audit Policy - Schools (2021) Operational and Capital Budgets Policy - Schools (2022) Payroll Procedure - MACS Secondary and Specialist Schools (2024) Principal Financial Handover Policy - Schools (2021)
New Policy	New