Finance and Accounting Procedure Manual

Melbourne Archdiocese
Catholic Schools

Purpose of the Manual

This Finance and Accounting Procedure Manual supports the overarching Finance and Accounting Policy by providing a clear and comprehensive framework for managing the financial operations of Melbourne Archdiocese Catholic Schools (MACS). It ensures accuracy, consistency, accountability, and compliance across all key financial areas.

This manual outlines the standard processes to be followed for financial transactions and reporting and serves as a reference for staff across MACS offices and MACS schools. It is designed to assist users in maintaining sound financial practices aligned with legislative, regulatory, and MACS' internal control and governance requirements.

Scope

This Procedure manual 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 is not within scope of this procedure manual as they develop and operate under their own suite of policy frameworks.

Principles

All financial processes and transactions must comply with the following:

- Relevant Australian Accounting Standards
- Applicable laws and regulations relating to financial management, audit, and reporting
- MACS internal policies and procedures
- The MACS Instrument of Delegation, which governs financial authorities and approvals

Compliance with this manual supports strong governance and ensures MACS meets both its legal obligations and its commitment to ethical and transparent financial management.

How to Use This Manual

This manual is organised into chapters, each covering a specific finance and accounting process and/or line of activities.

Table of Contents

Category	Chapter Number	Procedure Title	Applies to	Page Number/Source
Balance Sheet Procedures				
		Cash and cash equivalents	Schools	Bank, Loan, Receipting, and Bank Accounts Policy*
	1.	Accounts Receivable	Office & Schools	Page 5
	2.	Debtor Management and Recovery	Office & Schools	Page 10
		Financial (investment) assets	Schools	Bank, Loan, Receipting, and Bank Accounts Policy*
	3.	Fixed Asset and Depreciation	Office & Schools	Page 13
	4.	Intangible Assets	Office & Schools	Page 17
	5.	Lease Assets and Liabilities	Office & Schools	Page 19
	6.	Accounts Payable and Expense Disbursement	Office & Schools	Page 21
		Loans and borrowings	Schools	Bank, Loan, Receipting, and Bank Accounts Policy*
	7.	Provisions	Office & Schools	Page 26
Profit and Loss (Operational) Procedures				
	8.	Grant Income	Schools	Page 28
	9.	School Trading Activities and Other Private Income	Schools	Page 29
	10.	MACS Levies	Office & Schools	Page 32
	11.	Payroll	Office & Schools	Page 34
	12.	Credit Card	Office & Schools	Page 41
	13.	Expense Control and Governance and Governance	Office & Schools	Page 48
Financial Control & Compliance				
	14.	Balance Sheet Reconciliation	Office & Schools	Page 49
	15.	External Audit	Office & Schools	Page 55
	16.	Financial Records	Office & Schools	Page 58
	17.	Taxation	Office & Schools	Page 61

Reporting and Budgeting				
	18.	Financial Closure and Reporting	Office & Schools	Page 78
	19.	Operational and Capital Budgeting	Office & Schools	Page 82
References				
	20.	Appendices		Page 85
	21.	Definitions		Page 115
	22	Reference Index		Page 116

** The current policy applies to the schools only. In the future, a Treasury Management Policy covering both offices and schools will be developed. Update will be provided as soon as the new policy is published.*

Back to Top

Chapter 1

Accounts Receivable

This procedure establishes the key principles and controls for managing the billing, recognition, recording, collection and oversight of tuition fees and other service income across MACS offices and MACS schools.

Key Guidelines

- Tuition fees and other service income must be recorded when earned, in accordance with accrual accounting principles.
- School fees paid in advance are recorded as deferred income (liability). They can be recognised as income only when the school delivers the service.
- MACS invoices should be issued promptly and accurately, aligned with the school year / term schedule or applicable agreements.
- All monies received must be receipted and recorded promptly to ensure timely reconciliation and integrity of financial records.
- Where schools use the CDFPay platform, the Strategic Finance team must ensure CDFpay platform is set up and maintained with proper controls and reviewed regularly to support school-related payments, reporting and parent communication.
- Access to the student fee and other debtor masterfile must be restricted to authorised staff only, ensuring data integrity and confidentiality.
- Debtor ledgers must be reconciled regularly to the General Ledger, in accordance with the Balance Sheet Reconciliation Procedure, to ensure data accuracy and completeness.
- Aged debtor reports must be reviewed monthly at the minimum to identify overdue balances and to support proactive debt recovery.
- A provision for doubtful debts must be calculated annually using the standard template distributed by MACS Office Group Finance to ensure compliance and consistency.
- Adequate segregation of duties must be maintained wherever possible. Invoicing, receipting, and debtor account reconciliation should be performed by separate staff to reduce the risk of error or fraud.

1. Accounts Receivable (AR) Invoicing

	MACS office	MACS schools managed by Financial Shared Services	MACS Schools not under Financial Shared Services
Process Owner	Financial Shared Services team	Financial Shared Services team	Finance teams at Schools
Timing of invoicing	Service fee: Within three days of notification of services being provided.	School fees: at the commencement or end of the year prior to each academic year or by the end of January of the school year. Levies: typically billed at the start of the year, or at such other times as determined appropriate by the school Other invoices: within three days of services being provided	School fees: at the commencement or end of the year prior to each academic year or at the commencement of each term Levies: typically billed at the start of the year, or at such other times as determined appropriate by the school Other invoices: within three days of services being provided

Details to be included in the invoice	• Clearly state “Tax invoice” • MACS’ business name, address and contact details • MACS’ Australian Business Number (ABN) • Tax Invoice/ Statement date • Customer details including organisation name, contact person, address • MACS’ operating account BSB and account number • Description of services delivered including the quantity (if applicable) and the price • GST amount and the extent to which each item is a taxable sale (i.e., whether the item includes GST)	• Clearly state “Tax invoice” • School name, address and contact details • School’s Australian Business Number (ABN) • Tax Invoice/ Statement date • Customer/family details including organisation/family name, contact person, address • Required payment references for the listed payment options • Description of education services (school fees, levies, applicable discounts) and other services provided, with amounts • GST amount and the extent to which each item is a taxable sale (i.e., whether the item includes GST)	• Clearly state “Tax invoice” • School name, address and contact details • School’s Australian Business Number (ABN) • Tax Invoice/ Statement date • Customer/family details including organisation/family name, contact person, address • Required payment references for the listed payment options • Description of education services (school fees, levies, applicable discounts) and other services provided, with amounts • GST amount and the extent to which each item is a taxable sale (i.e., whether the item includes GST)
GL allocation for discount and concession	Not applicable	Refer to Appendix 1	Refer to Appendix 1
Supporting documentation (not required for billing of school fees)	A written agreement/contract which includes any applicable terms and conditions with non-MACS customers or a purchase order	A customer purchase order, where applicable	A customer purchase order, where applicable
Payment due dates (terms)	30 days	• Annual payment due at the start (or end) of the school year • Term instalments due by Week 2 of each term • Monthly instalments via direct debit spread evenly across the year • Other arrangements as determined appropriate by the school	• Annual payment due at the start (or end) of the school year • Term instalments due by Week 2 of each term • Monthly instalments via direct debit spread evenly across the year • Other arrangements as determined appropriate by the school

2. Communication

2.1. Invoices are sent via email to the designated contact for each debtor.

2.2. Fee statements should be issued to families at least quarterly.

2.3. Refer to the Debtor Management and Recovery Procedure for requirements regarding the collection of overdue debts.

3. Payment of Existing Families' Fees and Charges

3.1. Accepted payment methods include electronic funds transfer (EFT), Paypal, debit / credit card*, Bpay, CentrePay, and direct debits*.

Cash payments must be minimised and accepted only in exceptional circumstances due to the associated theft and fraud risks. Cash received must be banked weekly or more frequently where cash holdings are material.

(*) *available through the CDFpay mobile application from 2026*

3.2. Where CDFpay has been implemented, existing families are encouraged to make payments through the platform. CDFpay is a consolidated online payment and ordering platform supporting school fees, canteen orders, uniform shop purchases, excursions, school activities, events, and fundraising. It accommodates various payment plans (e.g., weekly, fortnightly, and monthly) as well as ad hoc payments, and provides notifications for failed payments and upcoming due dates. The platform completed pilot testing in selected schools in late 2025 and will be progressively rolled out to the other schools from 2026.

All banking details entered into CDFpay (credit/debit card or direct debit) are fully encrypted, and full card or bank information is not disclosed to schools, ensuring strong privacy and data security. School administration involvement with card details is minimal and generally limited to reconciliation oversight.

4. Payment of Prospective Families' Application Fees and Enrolment Deposits

4.1. Parents/guardians may make credit card payments only through the following approved methods:

- Direct onsite payment via the school's approved payment gateway or EFTPOS terminal, or
- Enquiry Tracker** (for schools that subscribe to the service).

(**)Enquiry Tracker is an all-in-one platform that enables schools to manage future student enquiries and allows families to make one-off credit card payments securely.

4.1.1. Schools must not collect credit card or bank account details via phone or email.

4.1.2. If credit card details are received electronically in error (e.g., via email), staff must:

- Immediately process the payment,
- Permanently delete the email (including from the deleted-items folder), and
- Notify the Finance Business Partner (primary schools) or Business Manager (secondary schools) so the incident can be recorded.

4.1.3. The card security code (CVV, the three digits on the back of the card) must never be emailed, texted, written down, or stored in any unencrypted format (e.g., spreadsheets).

4.2. IT Security and Authorised Access Requirements

4.2.1. Credit card details must be entered directly into the school's approved payment gateway or EFTPOS terminal. All systems used for processing must encrypt cardholder data (CHD) in transit and at rest using AES-256 encryption.

4.2.2. Only staff authorised by the Principal or Business Manager may process credit card payments.

4.3. Schools Without Enquiry Tracker

Schools that have not subscribed to Enquiry Tracker must receive payments through:

- direct onsite payment via the school's approved payment gateway or EFTPOS terminal, or
- EFT transfer to the school's operating bank account.

5. Discounts for Fees and Levies/ Credit Notes

5.1. Fee and levy discounts***/credit notes must:

5.1.1. only be raised to:

- reduce the school fees for eligible families in accordance with the Concessional Fees Program - Procedures,

- reflect the scholarship awarded to students; or
- correct previous transactions for the services provided, such as incorrect amounts invoiced or incorrect debtor charged.
- be approved by the staff listed in the table below before it is issued.

School fee and levies/ other services invoices	MACS office utilising Financial Shared Services	MACS schools managed by Financial Shared Services	MACS Schools not under Financial Shared Services
School fees and levies	Not applicable	To be approved in line with Instrument of Delegation (***)*standard rebates, exemptions, and CSEF adjustments applied to school fees that do not require approval.* *Refer to Concessional Fee Program - Procedures for the approval of concessional fees*	To be approved in line with Instrument of Delegation (***)*standard rebates, exemptions, and CSEF adjustments applied to school fees that do not require approval.* *Refer to Concessional Fee Program - Procedures for the approval of concessional fees*
Other service invoices	Staff who originally requested the invoice	Primary School Principal, or School Business/Finance Manager	School Business/Finance Manager

5.1.2. Request for fee and levy discounts/credit notes should be sufficiently detailed and be sent promptly to the Accounts Receivable officer for processing.

5.2. The credit note request should detail:

- Family/customer details (debtor name, contact person, address etc.).
- The date and invoice number to which the fee and levy discount/credit note relates to.
- The specific quantities/amount being credited.
- The reason for the credit.
- If applicable, GST amount and the extent to which each item is a taxable sale (i.e., whether the item includes GST).

6. Refunds

6.1. A requirement for a refund may arise due to:

- Overpayment from customers or parents of school students, or
- Payment of a duplicate invoice.

6.2. Refunds must be approved in accordance with the Instrument of Delegation.

6.3. Refunds are processed in accordance with the processes outlined in Accounts Payable and Expense Reimbursement Procedure.

6.4. Refunds can only be paid to the original payer and must not be processed to a third party.

7. Debtor Account Creation and Masterfile

7.1. A new debtor account for services other than student fees must not be created until the Accounts Receivable staff has reviewed and verified the customer's creditworthiness, including obtaining a trade reference or reviewing payment history with MACS or other schools.

7.2. Only one debtor account should be created per family for the billing of tuition fees and levies. For split families, separate debtors are only established where a parenting court order explicitly requires split payment. Existing separate billing arrangements may remain in place; however all future debtor account creation needs to adhere to the above.

7.3. The Accounts Receivable function (responsible for debtor management) is responsible for establishing new debtor accounts by completing a Debtor Masterfile Creation Form in the accounting system with all necessary customer information, including organisation name, contact person, address, email and other contact details.

7.4. The Accounts Receivable staff must:

7.4.1. update debtor information to ensure accuracy and completeness when an update of information is requested by the customers. This includes changes in address, contact details, and credit limits.

7.4.2. restrict access to the debtor masterfile to Accounts Receivable staff only

7.4.3. conduct periodic reviews of the student fee and other debtor masterfile to identify and rectify any discrepancies or outdated information, including verification of account details, and removal of duplicates.

8. Receipting, Reconciliation and Debtor Control

8.1. The Accounts Receivable officer is responsible for:

8.1.1. match received payments (from the bank statement) against the issued invoice and the remittance advice received from the customer if applicable.

8.1.2. allocate received payments to the debtor's account in a timely manner.

8.2. The general ledger debtors' control account must be reconciled to the detailed debtors ledger in accordance with the requirements of Balance Sheet Reconciliation Procedure.

8.3. The Accounts Receivable staff must run aged debtors' register, listing all outstanding balances on a monthly basis, highlighting any debts overdue past their due dates and over 60 days and follow the requirements outlined in the Debtor Management and Recovery Procedure.

9. Bad and Doubtful Debts

9.1. MACS Office and MACS schools are required to ensure that adequate provision for doubtful debts is made at the period end.

9.2. Group Finance is responsible for:

- calculating the provision for doubtful debts at the financial year end for MACS Office and all schools using the Integrated Catholic Online Network (ICON), MACS' finance system for schools, ensuring compliance with AASB 9 *Financial Instruments*; and
- providing a provision for doubtful debt calculation template to non-ICON schools for their use in determining the balance, including ensuring compliance with AASB 9 *Financial Instruments*.

9.3. When there is little likelihood of recovering a debt, the debt should be written off as a bad debt and expensed in the Statement of Profit and Loss. This decision is determined by:

- Group Finance for the MACS office; and
- School Principals for MACS schools with notification to GM, Group Finance.

10. Write Off Recovery

10.1. For any such payments received for debts previously written-off, the Accounts Receivable officer will:

- Directly record any recovered payments as a negative bad debt expense or other income in the Statement of Profit and Loss .
- Ensure that recovered payments are identified in the bank and debtors' reconciliations.
- Recognise any debt recovery service charges as an expense.

Back to Top

Chapter 2

Debtor Management and Recovery

This procedure provides clear guidance on managing outstanding school fees and other receivables to ensure timely collection, maintain cash flow, and safeguard financial integrity, while being fair and transparent to families.

Key Guidelines

- Schools are to make every effort to help families understand their obligation to pay fees and levies and the impact that non-payment has on the school's ability to provide a quality education for all students.
- Schools are required to strongly encourage cashless forms of fee payment, with direct debit as the preferred method. Cash (and cheque) should only be accepted as a last resort. Cash received must be banked weekly or more frequently where cash holdings are material.
- If families fall behind on payments, schools must promptly initiate debt recovery actions, 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 engaged.
- 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 of the MACS Director, Governance and Legal 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).
- Ensure all communications or interactions are handled with respect, confidentiality and sensitivity to maintain trust and dignity.

MACS Office

The Accounts Receivable function, managed by Financial Shared Services, is responsible for proactively following up on overdue payments according to the following guidelines:

1. For accounts aged between 30 and 60 days past due:
   1.1. Send weekly reminders to debtors via email or phone, requesting prompt payment.
   1.2. Communications should remain courteous but firm, clearly stating outstanding amount and offering payment options where appropriate.
2. For accounts aged over 60 days past due:
   2.1. Promptly contact the debtor(s) to request payment, both verbally and in writing.
   2.2. If previous follow-up attempts are unsuccessful, send a formal letter seeking payment and outlining possible actions and consequences.
   2.3. Where deemed appropriate, recommend escalation to a debt collection agency to recover a debt on behalf of the office, with the approval from MACS Legal and in accordance with the MACS Instrument of Delegation.
3. Procedures for calculating provisions for doubtful debts and for writing off the bad debts, as outlined in Chapter 1: Accounts Receivable must be followed.

MACS Schools

1. Management of fees and levies

The steps to be taken in relation to the payment of fees and levies are as follows:

1.1. Fees and levies payments should be discussed with parents at the time of enrolment. Relevant fee policies and guidelines should be made available at that time.

1.2. Schools are to make every effort to help families understand their obligation to pay fees and levies and the impact that non-payment has on the school's ability to provide a quality education for all students.

1.3. Schools are required to strongly encourage cashless forms of fee payment, with direct debit as the preferred method, established as part of student enrolment prior to commencing at the school, or at the start of each school year, where a direct debit was not established on enrolment.

Cash received must be banked weekly or more frequently where cash holdings are material.

1.4. A full statement of fees payable for the year should be provided to each parent at the start of the school year (by end of February) and periodic statements (e.g. per term or monthly where families have significant outstanding fees) should be issued at a frequency deemed appropriate by the school.

1.5. Each school is responsible for its own fee collection throughout the school year.

2. Recovery Steps

The following debt recovery steps are to be actioned when pursuing debt. They are also reflected in Appendix 2: Debt Recovery Flowchart

2.1. Office resolution

The Accounts Receivable team is required to proactively follow up on payment for amounts that are over 60 days past due, by:

- promptly contacting the debtors to request payment, verbally and in writing
- sending a formal letter, if previous follow-up attempts are unsuccessful, seeking payment and outlining possible actions and consequences
- where deemed appropriate, recommending escalation of debt collection to the debt collection agency to recover a debt on behalf of the office with the approval of MACS Legal and in accordance with the MACS Instrument of Delegation.
- initiating legal proceedings as a final step, in the event debt collection strategies have failed.

2.2. School resolution

For families who fail to keep up with their payment schedule, it is essential the matter be brought to their attention promptly and responses sought. Consideration should be given to any financial hardship and application of MACS Concessional Fee Procedures if relevant. In the absence of any financial hardship, the following debt recovery process is to be initiated:

- Follow up should be made by the school in a sensitive, discreet and confidential matter. School should keep appropriate records and documentations of any conversations, emails or correspondence relating to each family.
- If follow-up fails, a formal letter from the school should be sent to remind families of their fee and levy obligations. The letter should include an invitation to discuss the matter with the school and a specified timeframe for a response. A sample fee obligation letter template is contained at Appendix 3, Sample Letter 1.
- If this course of action is not successful, schools are to send a second letter seeking payment and outlining possible actions. A sample fee obligation letter template is contained at Appendix 3, Sample Letter 2.

2.2.1. For any questions regarding family law issues relating to debt recovery, MACS Legal can be contacted at legal@macs.vic.edu.au for further advice.

3. Engage Debt Collector

3.1. Schools may use the services of a debt collector only after the above steps have been completed. Principal to notify MACS Legal via email (Appendix 4) at legal@macs.vic.edu.au of their intentions to use external recovery processes and provide a copy of the two fee obligation letters (Appendix 3).

3.2. In pursuing this course of action, schools should be mindful of the expectations of the steps under the Management of Fees and Levies as outlined above.

3.3. Schools may only engage a debt collector to recover a debt on behalf of the school. A school cannot sell, transfer or assign a debt to a debt collector. Partnering with external services, such as EdStart, that provide external debt recovery services is prohibited.

4. Issue Legal Proceedings

4.1. 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 of the MACS Director, Governance and Legal in accordance with the MACS Instrument of Delegation.

4.2. To initiate the process, the school must complete the 'Legal Proceedings Assessment Form' (Appendix 5). Once the form has been completed and signed off by the principal, it must be emailed to legal@macs.vic.edu.au along with the required supporting documentation as outlined in the form. The form can be amended to include multiple families/debtors as required.

4.3. Issuing legal proceedings at court or VCAT will then be assessed on a case-by-case basis by MACS Legal. Principals will be notified of the outcome by the MACS Legal team.

5. Limitations of Actions Act 1958

Under the Limitations of Actions Act 1958 (Vic.), certain debts may be statute barred from being recovered. This includes a restriction on filing proceedings at Court or the VCAT after the expiration of six years from the date of either the initial cause of action or the last payment / acknowledgement of the debt. For time sensitive matters, MACS Legal are to be contacted for further assessment and advice.

6. Provision for doubtful debt and write off

6.1. Doubtful debt

6.2. Procedures for calculating provisions for doubtful debts and for writing off the bad debts, as outlined in Section 7, Chapter 1: Accounts Receivable must be followed.

6.3. Write-Offs

6.3.1. Schools are responsible for assessing debt write-offs at a frequency considered as appropriate by the school and at the end of the reporting year (i.e. 31 December). Where there is compelling evidence that a debt is unable to be recovered, schools are to write-off the relevant bad debts, inform the appropriate representative as per the MACS delegations of the total dollar amount of write-offs and follow the following process:

- For primary schools: write-offs should be processed in the accounting system and written off against the debtor. The write-off must be approved by the Principal.
- For secondary, special and special assistance schools: write offs should be processed in the school's Enterprise Resource Planning (ERP) / accounting system and written off against the debtor. The write-offs should be prepared by the school finance team, reviewed by the Business Manager and approved by the principal.

6.3.2. Evidence of approval by the School Principal should be maintained for perusal by external auditors and other authorised organisations. Once write-offs are processed, any adjustments to the provision for doubtful debts should be reviewed as part of financial year end process. In the event of a debt being paid after it was written off, the amount paid after write-off should be recorded as income to the appropriate fee or levy general ledger code.

7. Enrolment

In the event the debt collection strategies have been unsuccessful, schools are not to terminate enrolment of existing student(s), however, can initiate legal proceedings as a final step with approval of MACS Legal and in accordance with the MACS Instrument of Delegation and the Debtor management and Recovery procedures. Refer to the Frequently Asked Questions document for further guidance on enrolment.

8. Roles and reporting responsibilities

Role	Responsibility	Reporting Requirement
Principal	Recovery of Fees	N/A
Principal	Fee Write-Off	In accordance with MACS Instrument of Delegation
Principal	Notification to MACS Legal for engaging debt collector	N/A
MACS Legal	Legal proceedings assessment	N/A

Back to Top

Chapter 3

Fixed Assets and Depreciation

To establish procedures for financial accounting capitalisation, depreciation, disposal and safeguarding of fixed assets for MACS office and MACS schools.

Key Guidelines

- All fixed asset acquisitions must comply with 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.
- The recognition of fixed assets must comply with the fixed asset recognition criteria under AASB 116 – Property, Plant and Equipment Accounting Standard and MACS capitalisation threshold.
- Minor assets under capitalisation threshold must be treated as operational expenditure.
- All assets, other than land and buildings must be securely stored, appropriately safeguarded, and maintained in good working condition by the individual users within MACS schools or the MACS office who are 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 for material items.
- Insurance for MACS-owned assets is arranged and administered centrally through the MACS Office to ensure adequate coverage and efficient claims management.

1. Initial Recognition of Fixed Assets

1.1. Fixed assets are defined as tangible items that meet all the following criteria:

1.1.1. have a value exceeding or equal to **$5,000** (exclusive of GST)

1.1.2. are expected to produce future economic benefits for the school (*AASB 116.7)*

1.1.3. have a useful life of more than 12 months *(AASB 116.6)*, and

1.1.4. are held for use in the supply of services, for rental to others, or for administrative purposes *(AASB 116.17)*

Such assets must be recorded in the Fixed Assets Register (FAR).

1.2. The initial cost of an asset should include:

1.2.1. the purchase price, including import duties (AASB 116.16)

1.2.2. any directly attributed costs associated with bringing the asset to a position of use (e.g. delivery and handling, installation and assembly, testing to ensure the asset functions as intended and site preparation) (AASB 116.16)

1.2.3. Where information is available, an initial estimate of costs of decommissioning the item, where MACS office and MACS schools are obligated to do so *(AASB 116.16)*

1.3. The cost of an asset should **not** include extended warranties (purchased separately). The extend warranties relate to service coverage after the asset is available for use and must be recognised as *prepaid expenses or prepayment* and amortised over the period of coverage.

1.4. Fixed assets shall be measured initially at cost. Only the following situations shall be measured at fair value:

1.4.1. where the purchase price of the asset is considerably lower than its fair value (e.g. When a MACS school receives a donated asset free of charge or acquires an asset at a materially discounted price, the school must record the asset at its full price. *(AASB 116.15.1)*

1.4.2. where it was acquired as part of a business combination (e.g. When MACS acquires a new school, the fixed assets owned by that school must be recorded at their fair value.)

1.5. Assets are typically grouped into the following classes:

- Land
- Investment land
- Buildings
- Building improvements
- Investment buildings
- Infrastructure assets (including school playground, sports courts/field and landscaping)
- Demountable
- Library
- Plant and equipment
- Motor vehicles
- Furniture and fittings
- IT equipment
- Work in Progress

1.6. Land is recorded as a MACS asset in the asset register when MACS office or MACS schools hold the beneficial ownership of the land via a Declaration of Trust.

For financial reporting purposes, ownership of land remains with the Roman Catholic Trust Corporation unless a Declaration of Trust has been executed to transfer the beneficial ownership to MACS or its subsidiaries.

1.7. The recognition and subsequent accounting treatment for intangible assets and lease assets are outlined in Chapter 4 Intangible Assets and Chapter 5 Lease Assets respectively.

2. Work in Progress (WIP)

2.1. WIP includes costs for all types of tangible fixed assets such as buildings, infrastructure, equipment, furniture, and leasehold improvements that are under construction or development and not yet ready for use. These cost should be recorded as WIP throughout the construction or development phases.

2.2. Only costs directly attributable to bringing the asset to the condition and location necessary for its intended use should be included *(AASB 116.20)*, such as construction expenses and associated project costs (e.g. materials and supplies used in construction, and professional fees paid to architects, engineers, surveyors, and project managers).

2.3. Once the asset is completed and ready for use, the total accumulated costs must be transferred from WIP to the appropriate asset class or classes in the Fixed Asset Register, and depreciation must commence from that point. For example, a building is considered ready for use when the occupancy permit or certificate of final inspection has been obtained.

2.4. WIP balances must be reviewed at least quarterly to monitor project status of completion, confirm that only relevant costs are capitalised, and ensure timely transfer to the Fixed Asset Register upon completion.

3. Individual Asset with Multiple Components vs Multiple Individual Assets

3.1. Integrated Assets

Fixed assets comprising multiple parts or systems that function together as an integrated unit to deliver a single operational purpose must be recognised as a single asset when (*AASB 116.45)*:

- The components operate interdependently and are not intended to function separately;
- The combined unit is acquired to perform a single function; and
- The components have similar useful lives or are replaced together as part of an integrated maintenance cycle.

Examples of multi-component assets include an audio-visual (AV) system in a classroom or a building security system.

3.2. Independent Assets

Assets that function and operate independently are recognised individually, unless Clause 3.3 applies. This approach ensures a cleaner Fixed Asset Register (FAR), enables effective stocktaking and improves accuracy in asset records.

3.3. Grouping of individually insignificant items

It may be appropriate to aggregate and capitalise low value assets when *the items are purchased together in a single procurement transaction or order and the items serve a similar purpose.*

Example: a bulk purchase of chromebooks for a school may be capitalized using the total order value.

4. Minor Items

4.1. Minor items (also referred to as low value or minor capital items) with a cost below the capitalisation threshold of **$5,000** are expensed as operational expenditures, unless Clause 3.1 (integrated asset) or 3.3 (grouping of similar assets) applies.

4.2. Minor items are not required to be included in the fixed asset register (FAR).

5. Subsequent Measurements

Fixed assets are recorded at cost upon recognition in the balance sheet and are subject to an annual impairment review conducted by Group Finance of MACS office. Refer to Section 8 for more information.

Subsequent to asset creation as part of MACS ongoing maintenance plan, MACS office and MACS schools may improve or repair an asset. Capital expenditure classified as capital improvements will be capitalised, whereas repairs and maintenance will be expensed (*AASB 116.12*).

5.1. Capital Improvements

Subsequent expenditure should be capitalised if it meets all of the following criteria:

- It results in a significant enhancement to the asset's functionality, performance, or capacity;
- It leads to a material increase in the expected value and usefulness of the asset in the future;
- It causes a material extension of the asset's useful life; or
- It is not part of the day-to-day servicing or maintenance of the asset.

5.2. Repairs and maintenance

Routine servicing, upkeep, or repairs that do not extend the useful life of an asset or enhance its performance must be expensed in the period in which they are incurred. These include tasks undertaken to maintain the asset's current operating condition or to restore it to its original functionality.

6. Depreciation

The cost of an item of property, plant and equipment (PPE) is capitalised only when the asset is available for use, and depreciation commences from the commissioning date (i.e., the date the asset becomes available for use) (*AASB 116.55*). Depreciation is to be recognised evenly over the asset's expected life (known as the **"straight-line basis")**, allocating the cost of each asset (except land) across the number of years it is expected to be used, based on its asset category. The applicate rates are as follows:

Item	Depreciation Rate
Buildings and building improvements	2.5%
Infrastructure Asset*	10.0%
Portable / demountable buildings	5.0%
Furniture and fittings	7.5%
Plant and equipment	7.5%
Library	7.5%
Motor vehicles (**)	20%
IT equipment (**)	20%

*This is a new asset class that's created to reflect activities at school level, taking effect for purchases from *1 January 2027*. The example of the Infrastructure assets include sports courts/fields, paving and retaining walls.

** New depreciation rates, taking effect from *1 January 2027.*

The useful life of each asset class is subject to annual review by Group Finance to ensure it remains appropriate.

7. Disposal of Fixed Assets

7.1. Assets are derecognised (decommissioned) when the asset has been disposed of or there is no future economic benefit expected to arise from its use.

7.2. The approved asset disposal form should be sent to the following teams for action (Refer to Appendix 6(a) and 6(b) for the sample forms for the MACS office and MACS schools:

School/Office Type	Responsible Team
Schools utilising Financial Shared Services	Financial Shared Services team
Schools not utilising Financial Shared Services	Relevant School Finance team
MACS office	Group Finance

7.3. Proceeds from asset sales must be reinvested in MACS office or MACS schools.

7.4. Where a disposed asset has been purchased using a capital grant, the specific capital funding agreement procedures must be followed, such as under the Building the Education Revolution (BER) Australian Government initiative.

8. Impairment of assets

8.1. Group Finance is responsible for conducting annual impairment testing for the MACS group to ensure compliance with AASB 136 *Impairment of Assets*. Group Finance will perform an assessment of any impairment indicators and estimate asset recoverable amount as required. If any impairment is identified, Group Finance will calculate the adjustment required.

9. Fixed Asset Register (FAR)

9.1. All fixed assets recorded on the balance sheet must also be recorded in the FAR.

9.2. The FAR must include sufficient details to identify individual assets, including historical cost, accumulated depreciation, written-down value, impairment losses, and disposal information where applicable. Each asset should be assigned a unique identification code.

9.3. The FAR should be maintained in the MACS office and school's financial accounting system.

10. Stocktake

10.1. A stocktake is to be undertaken at every school on a **minimum three-year** cycle to ensure proper control of PPE and accuracy of the FAR. Group Finance will determine the schools included in stocktake schedule each year, with an estimated roll out in 2026.

10.2. Stocktake approach:

- Land: will be confirmed centrally. Central finance team leverages the existing processes and registers maintained by the Office Planning & Infrastructure team.
- Buildings, infrastructure assets and major systems (security, CCTV and fire protection systems): will be confirmed centrally. Central finance team leverages the existing processes maintained by the Office Planning & Infrastructure team, including asset condition reports and maintenance planning, to validate asset existence and condition.
- Small equipment and furniture will be annually assessed by Group Finance for their overall materiality and feasibility of performing a stocktake. Group Finance will apply a risk-based and materiality-focused approach to ensure stocktake efforts are directed to assets of significance.
- Small equipment and furniture which are determined to be in scope for stocktaking will follow the process outlined in Appendix 7 and Appendix 8 of this document.
- Tracking of computer devices: computer devices can be tracked using approved tracking software, with support from the Office IT team.

10.3. Once the stocktake is complete, if any additions, impairments or disposals are required, Financial Shared Services team or the relevant Secondary School Finance staff must be notified to action the corrections effective as at the day of the stocktake. Results and any changes to the FAR must be shared with Group Finance.

Back to Top

Chapter 4

Intangible Assets

To establish procedures for the management of intangible assets in accordance with AASB 138.

Key Guidelines

- All intangible asset purchases and acquisitions must comply with Procurement and Contract Management Policy to ensure consistency, value for money, and transparency.
- The recognition of an intangible asset must comply with AASB 138 - Intangible Assets Accounting standard and MACS capitalisation thresholds. Subsequent movements to the intangible asset must be recorded in accordance with AASB 138.
- 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.

1. Initial Recognition of Intangible Assets

1.1. Intangible assets are defined as items that meet all the following criteria:

1.1.1. do not have a physical substance (*AASB 138.8*)

1.1.2. are expected to produce future economic benefits (*AASB 138.8*)

1.1.3. are separable from the entity, i.e. capable of being separated from the MACS office or MACS schools and sold or transferred to another entity (regardless of whether there is intention to do so) (*AASB 138.12*)

1.1.4. are controlled by the entity, i.e. the MACS office or MACS schools have the power to obtain future economic benefits from the asset and can restrict the access of others to those benefits (*AASB 138.13*)

1.1.5. have an individual cost exceeding the capitalisation threshold outlined in **Error! Reference source not found.**

1.1.6. have a useful life of more than 12 months

Such assets must be recorded in the Fixed Assets Register.

1.2. Intangible assets shall be measured initially at cost, including costs such as the purchase price (*AASB 138.27*) and any directly attributed costs of preparing the asset for its intended use (e.g. employee benefits and professional fees incurred in bringing the asset to its working condition, costs of testing the asset functionality) (*AASB 138.27-28*). Supporting documentation, such as employee pay slips, payroll reports, and supplier invoices, must be retained to substantiate the recognition of the intangible asset.

1.3. Only the following situations shall be measured at fair value:

1.3.1. where consideration paid for the asset is considerably lower than its fair value (*AASB 138.24.1*)

1.3.2. where it was acquired as part of a business combination (*AASB 138.33*) (e.g. intangible asset is obtained when another entity or business is acquired and the fair value must be determined to properly reflect the consideration transferred in the acquisition.)

1.4. Assets are typically grouped into the following classes:

Item	Capitalisation threshold
Internally developed software	$100,000
Software licenses (excluding Software-as-a-Service)	$50,000
Intellectual property (e.g. curriculum materials protected by copyright)	$50,000
Trademarks (incl. brand names and publishing titles)	$50,000
Goodwill	N/A

2. Software vs Software as a service (SaaS)

2.1. Software licences are most likely to be considered Software-as-a-Service (SaaS) arrangements rather than a software intangible or leased asset. This is because, in a cloud-based environment, the SaaS contract generally only gives the customer the right to receive access to the cloud provider's application software, rather than control over the intellectual property (*AASB 138.13-16*).

2.2. A situation in which an intangible asset for a software licence could exist in a cloud-computing arrangement is when, at the inception of the arrangement:

2.2.1. MACS office or MACS schools have the contractual right to take possession of a copy of the software and run it on its own or a third party's computer infrastructure without significant penalty, or

2.2.2. MACS office or MACS schools have exclusive rights to use the software or ownership of the intellectual property for customised software, i.e. the software vendor cannot make the software available to other customers.

2.3. If an intangible software asset can be recognised, configuration and customisation intangible assets may also be recognised depending on the nature and output of the configuration or customisation performed. An intangible asset can exist where the configuration or customisation activities create a resource controlled by MACS office or MACS schools that is separate from the cloud software and access to other entities can be restricted.

3. Amortisation

3.1. The cost of an intangible asset is capitalised and begins amortisation only when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management, i.e. when the testing stage of the software has been completed and the software is ready to 'go live'.

3.2. Except where an intangible asset has an indefinite useful life, amortisation should be calculated on a **straight-line basis** to write-off the net cost of each asset over their useful lives, as follows:

Item	Depreciation rate
Internally developed software	20%
Software licenses (excluding Software-as-a-Service)	Per license agreement period
Intellectual property	Per legal contract
Trademarks (incl. brand names and publishing titles)	Per legal contract
Goodwill	N/A

The useful life of each asset class is subject to annual review by Group Finance to ensure it remains appropriate.

3.3. Each intangible asset will be assessed annually by Group Finance for impairment. Any impairment losses are to be recognised in the MACS office or MACS school profit or loss.

4. Disposal of Intangible Assets

4.1. Intangible assets are derecognised when the asset has been disposed of or there is no future economic benefit expected to arise from its use.

4.2. Proceeds from asset sales must be reinvested in MACS office or MACS schools.

5. Impairment of assets

5.1. Group Finance is responsible for conducting annual impairment testing for the MACS group to ensure compliance with AASB 136 *Impairment of Assets*. Group Finance will perform an assessment of any impairment indicators and estimate asset recoverable amount as required. If any impairment is identified, Group Finance will calculate the adjustment required.

6. Fixed Asset Register (FAR)

6.1. All intangible assets recorded on the balance sheet must also be recorded in the FAR.

6.2. The FAR must include sufficient details to identify individual assets, including historical cost, accumulated depreciation, written-down value, impairment losses, and disposal information where applicable. Each asset should be assigned a unique identification code.

6.3. The FAR should be maintained in the MACS office and school's financial accounting system.

Back to Top

Chapter 5

Lease Assets and Liabilities

To establish procedures for lease agreements and agreements that contain lease components entered into by MACS office and MACS schools, both as a lessee and a lessor, ensuring compliance with AASB 16 *Leases*.

Key Guidelines:

- 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.
- All lease transactions must comply with AASB 16 Leases Accounting standard. 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 compliance and accuracy.
- Lease information must be submitted to MACS 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.
- When processing a lease payment, the appropriate rent expense code must be used, in accordance with the VCEA and relevant Charts of Accounts.

Accounting Treatment

LESSEE

1. Determining initial lease treatment under AASB 16 *Leases* as a lessee

1.1. Group Finance will assess the lease agreement to determine whether the lease is exempt under AASB 16 Leases, either through the low value asset (individual asset value less than **$10,000**) or short-term lease (12 months or less) exemptions (AASB 16.5).

1.2. When a lease is determined to be not exempt, Group Finance will calculate and disseminate the required adjustment journals to bring the lease onto the Balance Sheet by recording a Right-of-use asset and a Lease Liability.

1.3. Lease agreements are not recorded in the Fixed Asset Register.

1.4. When a lease is determined to be exempt, no action is required. Lease invoices are to be recorded under the relevant rent expense codes.

1.5. The annual incremental borrowing rate is determined by Group Finance and reflects the Catholic Development Fund's variable interest rate in January of the reporting year.

2. Subsequent measurement of lease agreements as a lessee

2.1. Subsequent measurement journals will be calculated and distributed by Group Finance throughout the lease term.

2.2. Right-of-use assets are depreciated on a straight-line basis across the lease term (*AASB 16.31*).

2.3. Lease Liabilities are increased to reflect the interest expense on the liabilities and then reduced by the amount of lease payments made across the lease term.

3. Changes to lease arrangements as a lessee

3.1. Where the following changes are made to existing lease arrangements, Group Finance must be notified by Financial Shared Services team for schools under FSC and through HEAT by schools who are not utilising Financial Shared Services (*AASB 16.40*):

3.1.1. Early or scheduled termination,

3.1.2. Changes to lease payments (in amount or frequency),

3.1.3. Change in residual value,

3.1.4. Entering into a holdover period, and

3.1.5. Other lease modifications.

3.2. Group Finance will assess the impact of the changes to the lease agreement and determine the required accounting journals. Where applicable, impacts of the changes will be recognised in the Statement of Profit or Loss.

LESSOR

4. Determining initial lease treatment under AASB 16 *Leases* as a lessor

4.1. Group Finance will assess the lease contract to determine the appropriate accounting treatment under AASB 16 *Leases*. The accounting treatment will depend on the lease being classified as an operating lease or a finance lease (*AASB 16.61*).

4.2. At the commencement date, a lessor shall recognise assets held under a finance lease in its Statement of Financial Position and present them as receivable at an amount equal to the net investment in the lease (AASB 16.67).

4.3. A lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis as determined by Group Finance (AASB 16.75).

5. Subsequent measurement of lease agreements as a lessor

5.1. Subsequent measurement journals will be calculated and distributed by Group Finance throughout the lease term.

5.2. For finance leases, rental income is recognised at a constant periodic rate over the lease term. The rental income is applied against the receivable and/or recognsied as unearned income as appropriate. Group Finance will determine derecognition and impairment impacts annually in line with the requirements of AASB 9 Financial Instruments.

5.3. For operating leases, rental income is recognised on either a straight-line basis or another systematic basis as determined by Group Finance (AASB 16.81). Costs, including depreciation, incurred in earning the lease income is recognised as an expense when incurred.

6. Changes to lease arrangements as a lessor

6.1. Where the following changes are made to existing lease arrangements, Group Finance must be notified through HEAT (*AASB 16.87*):

6.1.1. Early or scheduled termination,

6.1.2. Changes to lease payments (in amount or frequency),

6.1.3. Change in residual value,

6.1.4. Entering into a holdover period, and

6.1.5. Other lease modifications.

6.2. Group Finance will assess the impact of the changes to the lease agreement and determine the required accounting journals. Where applicable, impacts of the changes will be recognised in the Statement of Profit or Loss.

Back to Top

Chapter 6

Accounts Payable and Expense Disbursement

This procedure establishes consistent, efficient, and accountable processes for paying supplier invoices and reimbursing legitimate staff expenses incurred in the course of their duties, across both the MACS Office and MACS schools.

Key Guidelines

- All purchasing and expense reimbursement activities 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 Delegations.
- An requisition must be submitted and approved prior to raising a Purchase Order (PO) for all purchases over the established requisition threshold per Instrument of Delegation. All travel, professional learning activities and multi-invoice contracts require a Requisition regardless of value.
- A three-way match (invoice, PO, and confirmation of delivery) is required prior to processing payment to ensure completeness and accuracy.
- The Accounts Payable team must 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.
- Where preferred payment methods (e.g., EFT or BPAY) are not practical, credit card payments may be used for low value, ad-hoc or emergency services. All such transactions must comply with the Credit Card Policy and Procedure.
- 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.

1. Requisitions Creation

1.1. A requisition must be submitted for approval prior to incurring the issue of the Purchase Order (PO) of the following expenses:

- All purchases ≥ **$1,000** (excl. GST)
- All travel or professional learning activities
- All contracts that span more than one invoice, unless specifically exempted

1.2. Exceptions to the requisition requirement apply only to the payments of pre-approved, regularly contracted or emergency services, including:

- Utilities including water, electricity, gas, telephone
- Rates
- Rent and lease
- Security services
- Motor vehicle running costs (e.g. fuel, registration, maintenance)
- Postage
- Payroll and tax-related disbursements including salary, superannuation, salary sacrifice, PAYG and Business Activity Statement (BAS) payment.
- Genuine Emergency repair and maintenance*

(*)In genuine emergency situations (e.g., burst pipes, electrical faults, leaking roofs) where immediate action is required to prevent health, safety, or property damage, works may proceed without a prior requisition; however, a requisition must be raised as soon as practicable after the emergency works are initiated, and supporting documentation must be provided.

1.3. MACS staff must submit a requisition for approval in accordance with the Instrument of Delegation using the relevant accounting system. Requisition approvers are responsible for ensuring that the expenditure is in line with the approved budget.

1.4. Actual spending that exceeds the original purchase requisition by up to **10%** can still proceed through the invoice entry and payment processes. For MACS offices, invoices with variances of **10% or $1,000 value, whichever is greater,** will be returned to the originator for approval and sign-off from the appropriate delegate. For MACS schools, a new PO must be created to cover the variance.

1.5. Ensure that the requisition form used is approved form and contains a unique sequential identification number. All requisition must include a detailed description of the goods or services, the vendor's information, estimated cost, and budget code.

1.6. Quote and Tendering Requirements needs to be strictly followed in accordance with the Procurement and Contact Management Policy.

1.7. Preferred Suppliers of MACS schools must be selected in accordance with the sourcing and tendering requirements outlined in Procurement and Contract Management Policy, which ensures the MACS office and MACS schools achieves best value for money within each category of goods or services.

1.8. Once the requisitions are reviewed and approved, purchase orders (POs) can be issued to the relevant suppliers. All purchase orders must be sequentially numbered and logged in the respective accounts payable system.

2. Purchase Order (PO) Management

2.1. A Purchase Order (PO) must be raised and approved before any purchase is made. The PO must include the following details:

- PO number in sequential order
- Supplier ABN and address
- Goods/services description
- Approved Requisition ID
- GST breakdown
- Appropriate general ledger account codes and cost centre,
- Expected pricing Signatures/electronic approval of the financial delegate in accordance with Instrument of Delegation.

2.2. A PO is not required for the transactions where Requisitions are not needed.

2.3. If the scope or value changes exceeding 10% after approval, a revised PO must be issued. Where applicable, the original PO should be cancelled, and the vendor must be informed.

3. Receipt of Goods and Services

3.1. Goods and services received must be checked against the PO to ensure they meet the expected specifications, quality, and quantity. Any discrepancies must be documented, and the supplier contacted to arrange replacements, returns, or credit.

3.2. The relevant staff or recipient should endorse the delivery docket or invoice, noting any issues and actions taken in writing.

3.3. Staff must promptly report any supplier disputes to the Accounts Payable Manager at the Financial Shared Services or the Finance/Business Manager at Secondary Schools. The escalation process should include thorough documentation of the issue and, where necessary, an investigation to ensure a timely and appropriate resolution.

4. Invoice Receipt and Verification

4.1. Suppliers should send invoices to:

4.1.1. the Finance Operations team, Financial Shared Services at Apinvoices@macs.vic.edu.au for MACS offices

4.1.2. use Financial Shared Services Portal for schools under Financial Shared Services

4.1.3. respective school finance office for schools not utilising Financial Shared Services.

4.2. A three-way process (invoice, purchase order, and confirmation of delivery/ receipt) should be implemented to verify that all details are consistent before payment approval for invoices with a PO. For an invoice without a PO, billing details included in the invoice must be matched to the confirmation of delivery/receipt.

4.3. Any discrepancies, such as incorrect quantities or pricing, must be resolved with the vendor prior to processing the payment.

5. Supplier Set-up and Maintenance

5.1. All new suppliers must be created in the accounting system by the Finance Operations team, Financial Shared Services (for MACS offices and schools utilising Financial Shared Services) or by the school finance team based at the schools (for schools not using Financial Shared Services).

5.2. Supplier selection must comply with the requirements outlined in Procurement and Contract Management Policy.

5.3. A Supplier Creation Form (available in the accounting system) must be completed, with the following checks performed:

5.3.1. ABN/ACN verification through the Australian Business Register.

5.3.2. GST registration status.

5.3.3. Independent verification of bank account details, such as a bank statement or bank confirmation letter.

5.4. Any changes to supplier details, particularly bank information, must be independently verified and approved by the senior Accounts Payable staff before updates are processed.

5.5. Periodic reviews of the supplier record must be performed to identify duplicate or inactive suppliers. Periodic reviews must also verify the accuracy of supplier record changes by confirming that changes were performed by authorized users and appropriate supporting and approval were obtained.

6. Expense Reimbursement

6.1. Allowable expense reimbursements include necessary and reasonable costs incurred by staff for MACS-related business.

6.1.1. Travel expenses

Incurring and reimbursement of allowable travel expenses must comply with the Travel Policy.

6.1.2. Emergency travel expenses

- In emergencies, staff may book travel and/or accommodation using personal funds and then subsequently seek reimbursement.
- A valid justification must be provided such as urgent business needs, unforeseen changes to travel plans, or lack of access to standard booking channels.
- Where possible, prior email approval should be obtained from a financial delegate in accordance with Instrument of Delegation.
- In limited circumstances, in lieu of expense reimbursement, staff may be issued virtual corporate credit cards based on specific situational requirements and should adhere to the same review, reconciliation and reporting conditions as physical cards set out in the Chapter 12: Credit Card Procedure.

6.2. Other allowable expenses

The following types of expenses are eligible for reimbursement:

a. Expenses reimbursed through payroll process

(not via Accounts Payable, refer to Chapter 11: Payroll for the payment processing of reimbursement claims):

- Police and Working with Children checks required for employment or official duties
- Business-related travel using their personal vehicle
    - The maximum reimbursement amount will follow the applicable Australian Taxation Office (ATO) cents per kilometre rate at the time the travel occurred.
    - Reimbursement will be based on the additional distance travelled beyond the employee's regular commute between home and work.
    - Requests must be submitted using the Kilometre Reimbursement Form (available on gabriel for office staff and Administration Portal within ICON ePortal for school staff).

b. Expenses reimbursed through Accounts Payable process:

- Parking, where parking is required at an external premises (e.g. for training), provided no alternative travel arrangements (such as public transport) are available
- Memberships or subscriptions if pre-approved in line with the Instrument of Delegation
- Meal expenses will be reimbursed where overnight travel is involved and not already covered by accommodation package
- Tolls and public transport costs must relate to business activities and be substantiated using relevant invoices or other forms of evidence of payment such as transaction statement or bank/credit card statements.

6.3. Prohibited reimbursements

The following expenses are not eligible for reimbursement by MACS:

- Expenses which can be recovered from a third party (e.g. losses covered by travel insurance)
- Purchases that can be made through MACS-approved suppliers or purchase orders
- Per-diems or cash advances
- Alcoholic beverages
- Clothing and equipment
- Personal items such as shampoo, soap, toothbrushes, and toothpaste while traveling
- Tips and gratuities on business expenses
- Late payment interest on purchasing cards
- Postage
- Fines for parking, traffic, or other violations
- Gifts or donations (unless pre-approved)
- Travel upgrades (e.g., business class flights)
- Fixed assets (e.g. laptops, classroom equipment)
- Other business expenses where there are preferred suppliers.

6.4. Exemptions to these prohibited reimbursements must be approved in advance in accordance with Instrument of Delegation.

6.5. Expense Claim, Review and Approval

6.5.1. All expense reimbursement claims must:

- be submitted within one month of the payment date or the return from the business trip.
- be completed using the Claim for Reimbursement of Expenses Incurred Form (available on gabriel for office staff and Administration Portal within ICON ePortal for school staff) and be signed by the claimant.
- be supported by original tax invoices and receipts. In exceptional circumstances where the invoice cannot be obtained or loss, provide alternative evidence such as supplier confirmation email, bank statement as proof of payment.
- include kilometre reimbursement form for the mileage claim
- be approved by the appropriate delegate, as outlined in the Instrument of Delegation.
- submitted to:
  - apinvoice@macs.vic.edu.au (for Office)
  - Financial Shared Services Portal (schools utilising Shared Services) or
  - the email for schools' finance office (for schools not utilising Shared Services)

6.5.2. Financial delegates approving claims, in accordance with Instrument of Delegation, must ensure that expenses are reasonable, modest, prudent, within the available budget and compliant with this policy and other relevant MACS policies.

6.5.3. The relevant Accounts Payable team (Finance Operations team, Financial Shared Services) for MACS offices and schools using shared services, or school's Accounts Payable team for schools not using shared services) is responsible for verifying compliance, checking supporting documentation, ensuring correct general ledger coding, and calculating GST where applicable.

7. Invoice and Expense Reimbursement Payment Processing

7.1. Payments for expenses and reimbursements must not be made for invoices without supporting documentation and prior approval in accordance with the Instrument of Delegation.

7.2. Access to payment processing systems must be restricted to authorised personnel only.

7.3. Payments are processed weekly in accordance with MACS payment terms, which are generally end-of-month plus 30 days. Certain cases, such as capital works invoices, may have shorter terms, for example, 10 days.

7.4. Payment batches should be generated from the relevant accounting system. Schools using shared Services must submit their invoices to Financial Shared Services for processing.

7.5. Payments are made via electronic funds transfer (EFT) or BPAY, except where a contract specifically requires a direct debit arrangement to be in place (e.g., leases).

7.6. All processed invoices should be stamped with "PAID" or digital equivalent

7.7. All payments must be recorded in the Accounts Payable ledger in a timely manner.

7.8. Maintain accurate and complete records of all invoices and payments, including approved invoices, verified purchase orders and confirmation of delivery, and relevant correspondence with vendors.

8. Creditors Reconciliation and Managing Ageing Creditors Balances

8.1. The general ledger creditors' control account must be reconciled to the creditor’s ledger in accordance with the requirements of Balance Sheet Reconciliation Procedure.

8.2. The Finance Operations team of Financial Shared Services (for MACS office and schools utilising shared services) and School Finance office (for schools not utilising shared services) must review creditors balances at least quarterly to ensure timely payment and maintain vendor relationships.

8.3. Outstanding invoices should be categorised by age (e.g., 0–30 days, 31–60 days, 61–90 days, over 90 days).

8.4. Significant overdue invoices must be escalated to the relevant Finance Business Partners for primary schools or Finance/business manager for Secondary Schools for review and action.

8.5. Records of follow-ups and escalations should be maintained to provide an audit trail and mitigate the risk of disputes.

9. Petty Cash

MACS schools and offices are discouraged from using petty cash due to administrative burden and the transition to cash-free operations. EFT payments are preferred whenever possible.

Chapter 7

Provisions

This procedure provides guidance and outline roles and responsibilities for calculating and accounting for the provisions to ensure compliance.

Key Guidelines

To comply with AASB 137 *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 a payment will be required to settle the obligation; and
- the amount can be reasonably estimated.

The main provisions to be recognised in the consolidated financial statement include:

- Employee Benefits Provision covers expected payments for wages, annual leave, and long service leave. These are recognised when payment is likely and the amount can be measured. Short-term benefits are recorded at their full value, while long-term benefits are discounted to reflect their present value, in line with AASB 119 *Employee Benefits*.
- Restitution Provision relates to legal claims arising from past events. These are often estimated using actuarial assessments of known and potential claims. As these estimates involve significant judgement, the actual costs may differ from what is recorded.

1. Employee Benefits Payroll Provision

A liability must be recognised for employee benefits relating to wages, salaries, annual leave, and long service leave when settlement is probable and amounts can be reliably measured. The Payroll/Finance Teams within the MACS office (for MACS office staff), Financial Shared Services (for schools utilising shared services) and School Finance Office (for schools not utilising shared services) are responsible for calculating the annual leave provision at the end of each financial period.

1.1. Employee benefit liabilities expected to be settled within 12 months must be measured at their nominal value using the remuneration rate expected to apply at the time of settlement.

1.2. Employee benefit liabilities not expected to be settled within 12 months must be measured at the present value of estimated future cash outflows, based on services provided by employees up to the reporting date.

2. Employee Benefits Long Service Leave (LSL)

Under the Catholic Education Long Service Leave Scheme (CELSL), while scheme assets are centrally managed, the obligation for employees' long service leave rests with each participating employer. Accordingly, provisions for long service leave must be recognised at present value, and any reimbursement asset arising from the scheme must be recognised as a separate asset in accordance with accounting standard. Group Finance is responsible for calculating the long service leave provision.

3. Restitution Provision

A provision must be recognised for historical claims against lay staff based on actuarial estimates of known and likely incurred claims. Group Finance is responsible for coordinating the calculation of the provision. The Provision must:

- be determined with reference to both past reported and unreported incidents;
- exclude potential liabilities for future incidents occurring after the valuation date; and
- acknowledge that the estimation process involves a high degree of judgement, meaning the final outcome may differ materially from the provision recognised in any given financial year.

4. Other Provisions

Other immaterial provisions, including but not limited to redundancy, must be calculated in accordance with the requirements of AASB 137. These provisions may vary from one accounting period to another depending on events during the year.

They will be calculated by the relevant finance teams:

- Group Finance for MACS Office,
- Financial Financial Shared Services for schools using shared services, and
- School Finance Teams for schools not utilising shared services.

Back to Top

Chapter 8

Grant Income

The purpose of this procedure is to set out the key principles and controls for recognising Australian Government and Victorian Government grant income for MACS schools.

Key Guidelines

- 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. Grant funding must be recorded in the financial year it is earned, in accordance with accrual accounting principles and the Australian Accounting Standards requirements.
- All payments received must be receipted and recorded promptly to ensure timely reconciliation and integrity of financial records.
- All government grants, including recurrent, capital or targeted programs, must be recorded in accordance with the Annual Financial Statement (AFS) codes outlined in the VCEA Chart of Accounts. Use of VCEA coding is mandatory for government grant acquittal purposes.
- Grant income codes must be reconciled to the VCEA Billings & Disbursements report upon receipt of payment to ensure data accuracy and completeness.
- 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*.

Back to Top

Chapter 9

School Trading Activities and Other Private Income

To establish procedures for managing school trading activities and other private income, and to clarify roles and responsibilities.

Key Guidelines

- School 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.

School Trading Activities

1. School Trading Activities

1.1. The typical trading activities operated by schools include:

1.1.1. Bookshop

1.1.2. Uniform shop

1.1.3. Canteen or tuckshop

1.1.4. Student transportation

1.1.5. Public performances and displays.

1.2. These activities may be run by the school, operated under contract by a third-party service provider or operated by a school controlled or independent Parents and Friends.

1.3. Regardless of the nature of activity (internal or external) school trading activities should be financially viable in their own right. The trading income should not be supplemented by schools' private or government grant income.

2. Outsourced School Trading Activities – Third Party External Providers

2.1. The appointment of a suitable third party external service provider must be conducted in line with the Procurement and Contract Management Policy.

2.2. Where specified trading activities are outsourced, a formal contract must be executed that clearly defines the expectations, roles, responsibilities, terms, and conditions between the school and the third-party service provider.

2.3. Prior to entering into any outsourcing arrangement, including those involving independent entities such as Parents and Friends (P&F) groups (refer to Section 3), the Principal must seek advice from the MACS Legal team to ensure the agreement is legally sound, and aligned with school's and MACS requirements.

3. Outsourced School Trading Activities – School Controlled Parents and Friends (P&F) Groups

3.1. P&F groups that operate as independent entities are regarded as third party external providers.

3.2. Transactions for school trading activities, including book shops, uniform shops or canteens operated by school-controlled P&F groups must be recorded using the accounting treatment detailed in Section 6 of this procedure.

3.3. Any persons employed by a school-controlled P&F group must:

3.3.1. be employed directly by the school as an employee of MACS

3.3.2. receive a formal letter of appointment

3.3.3. be paid appropriately via the school's payroll (this includes school-controlled P&F group members, where applicable).

3.4. Where the P&F group operates a separate bank account, it must reimburse the school for wages paid to staff engaged in trading activities.

3.5. The General ledger treatment of school-controlled Parents and Friends school trading activities is detailed in Appendix 10 of this Procedure.

4. School Operated and Controlled Parents and Friends Trading Activities

4.1. Schools are required to implement a point-of-sale (POS) system. Payments should be processed electronically through debit/credit cards or CDFPay, with cash handling minimised wherever possible.

4.2. Where cash handling is unavoidable, secure cash-handling procedures must be implemented and followed.

4.3. Cash takings must not be used to pay expenses.

4.4. Cash floats must be:

4.4.1. approved by the Principal (Primary Schools) or Business Manager (Secondary Schools) for the setup and determination of the amount, and whenever the amount needs to be varied;

4.4.2. maintained at a constant amount (e.g.. $100);

4.4.3. locked securely in a school safe outside of operating hours; and

4.4.4. recorded on a schedule of daily takings.

4.5. At the close of trading each day, cash collections (including floats) should be counted by two people, who must both sign the cash count record as evidence of the count.

4.6. End-of-day procedures must include:

4.6.1. balancing daily takings against POS records;

4.6.2. retaining the day's sales records;

4.6.3. preparing and banking funds daily (or securing overnight if not possible); and

4.6.4. submitting income and banking details to the Principal or Business Manager for review and posting to the general ledger daily.

4.6.5. Any discrepancies must be promptly investigated by the Finance Business Partner (primary schools) or Business Manager (secondary schools).

4.7. All related purchases must comply with the Procurement and Contract Management Policy.

5. Inventory Management

5.1. Specified trading activities carrying inventory must conduct a stocktake at least annually.

5.2. Stock on hand should be valued using an appropriate inventory costing method, including First-In First-Out (FIFO) or Weighted Average Cost (WAC), where appropriate.

5.3. The stock valuation assumptions should be documented with the stocktake details.

5.4. High-volume trading activities such as uniform shops, canteens, or any operation with frequent daily sales, and total annual sales typically above **$50,000** are encouraged to conduct more frequent stocktakes (e.g., each semester).

5.5. Where the school trading activity carries inventory in the school's balance sheet as at the financial year end, a year-end stocktake must be conducted to meet the requirement of external audit. A sample of uniform shop stocktake showing all the relevant columns necessary for tracking and reporting is provided in Appendix 11.

5.6. Schools should liaise with MACS Group Finance prior to 31 December annually, to confirm whether the auditor needs to be present during the end of financial year stocktake.

5.7. Stocktake discrepancies must be assessed for materiality. Material discrepancies such as repeated variances, unexplained differences exceeding **$5,000**, or patterns suggesting error, theft, or process issues must be reported to the Principal, investigated (e.g., by reviewing sales records, stock movements, and relevant documentation), and documented along with any corrective actions. Minor one-off variances under **$5,000** may be addressed through routine stock management without a formal investigation.

5.8. Unsaleable inventory, including perishable items that have expired or are otherwise unfit for sale, must be written off with supporting documentation (item description, quantity, cost, and written-off value). For material items (e.g., total value of the written off goods being over **$5,000**), the write-off documentation must be prepared and signed by the Finance Business Partner/Business Manager and approved by the Principal. Low-value or routine perishables (e.g., expired items under **$5,000** in total) may be written off through routine stock management without formal approval. The approved write-off value must be recorded as an expense in the Profit and Loss statement.

6. Accounting Treatment

All trading income must be recognised when goods or services are provided to the students, with corresponding trading expenses (including the purchase of any inventory as cost of sales) recorded in the same financial period.

7. **Revenue and Expenditure Budgets**

   Schools must compare the actual revenue and expenditure from trading operations against the approved budget at least quarterly, investigate any significant variances as determined by the Finance Business Partner (for primary schools) or Business/Finance Manager (for secondary schools), and take prompt actions to address identified issues.

Other Private Income

8. **Interest income**

   Management and recording of interest income are outlined in the Treasury Management policy and procedure.

9. **Rental income**

   Billing for rental income from school investment properties or facility hire is outlined in the Accounts Receivable and Debtor Management procedure.

Back to Top

Chapter 10

MACS Levies

This procedure establishes processes by which MACS office sets and charges MACS Levies to MACS schools.

Key Guidelines

- Under the MACS governance structure, MACS office is authorised to seek a contribution levy from MACS schools to fund the delivery of governance, strategy, management and other centralised services.
- 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 (including RIMPJP schools).
- The MACS Finance and Audit Committee reviews and recommends levy amounts for various school types to the MACS Board for approval before 31 December for implementation in the following year.
- The finalised MACS Levy amounts will be communicated to MACS schools as part of the annual budgeting process, to support school planning and financial forecasting.

1. Authority to Charge Contribution Levies

Under the governance structure, the office charges a contribution levy from our schools, to cover the cost of providing services as detailed in the service catalogue.

2. Calculation of Contribution Levies

2.1. An Activity Based Costing (ABC) exercise will be undertaken, in line with the relevant frameworks every second year to understand the cost of providing services to the different organisational sectors (e.g. primary schools, secondary and special schools, office, external parties etc).

2.2. The ABC analysis will be supplemented with known future expenses (e.g restitution payments) to inform how levies are allocated to school sectors (primary vs secondary).

2.3. Further analysis will be conducted following the ABC exercise to understand the optimum methodology for allocating levies to individual schools to ensure a fair distribution that reflects both the fixed and variable nature of providing services to schools. It also involves analysis to understand the impact on school(s) of the decision made.

2.4. The contribution levies will be reviewed with and approved by the Executive Director as part of the annual budgeting process.

3. Communication of Contribution Levies

3.1. Confirmation will be provided to schools as part of the budgeting process which usually takes place in term 3 of the prior year.

3.2. Where other levies are charged to schools, such as the VCEA levy, or Teachers and Professional Development Program (for secondary, special and special assistance schools), these will also be detailed in the budget communication.

3.3. The office of the Executive Director prepares the service catalogue for review as required.

4. Payment of Contribution Levies

4.1. Contribution levies and other levies, where applicable, will be deducted from the Australian Government General Recurrent Grant payment to schools through Victorian Catholic Education Authority (VCEA).

4.2. Schools will be issued a remittance advice for MACS contribution levies from VCEA.

4.3. The schools must record the contribution and other levies in the relevant financial systems based on the details of the remittance advice.

5. Additional Service Fees and Expense Reimbursements

5.1. Where the office pays on behalf of schools for group procurement (eg insurance, workcover, excess fee and audit fee), such expenditures will be recouped from schools in the form of an additional levy.

Additional service fees and expense reimbursement will be deducted in full, or on a pro-rata basis where required, from the Australian Government General Recurrent Grant payment to schools.

Back to Top

Chapter 11

Payroll

This procedure provides guidance and establish controls for the end-to-end payroll process, reporting and payroll records management, across MACS offices and MACS schools.

Key Guidelines

Legal and Regulatory Compliance

- All payroll activities must comply with applicable Australian workplace laws, including the **Fair Work Act 2009**, relevant industrial instruments (e.g. **Catholic Education Multi Enterprise Agreement (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**.

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.

1. Employer status

1.1. All those employed in MACS offices and MACS schools are employees of MACS. The MACS Office and each individual MACS school are treated as separate employers, responsible for paying their employees' salaries and wages, and for Australian Taxation Office (ATO) reporting purposes (including Pay As You Go (PAYG), superannuation, and Fringe Benefits Tax (FBT)).

1.2. The MACS Group Payroll team is responsible for meeting ATO obligations for MACS office and schools that use Shared Services respectively. Individual schools that do not use Shared Services are responsible for completing these reporting obligations themselves.

1.3. If an employee works at more than one school, each school is a separate employer for ATO reporting purposes. Employees are required to complete a separate tax file number declaration for each separate employer, regardless of the period of employment. Alternatively, if the schools agree to nominate a host school, the employee's salary can be processed through the host school's payroll. In this arrangement, the host school becomes the legal employer, pays the employee, and is reimbursed by the other schools. The employee is formally employed by the host school and seconded to other schools as per the agreement.

2. Appointment, salary assessment and salary variations

2.1. The appointment, salary assessment, and any subsequent variations for MACS office and school staff must be approved in accordance with the Instrument of Delegation.

2.2. MACS schools may contact Employee Relations team (ceoir@macs.vic.edu.au) for advice and consultation regarding staff appointments, salary assessments, and variations. Particularly, schools are encouraged to seek Employee Relations team's guidance on appropriate application and tenure for the school Positions of Leadership (POL) to ensure the appointment and tenure process and related application are consistent with the Catholic Education Multi Enterprise Agreement (CEMEA).

2.3. For the employment of MACS staff (including school and office staff), staff pay rates and other entitlements are determined in accordance with their position level and experience, with reference to the applicable CEMEA, or other relevant and current award or industrial agreement. Note that the CEMEA applies only to renumeration of Primary school principals.

2.4. Secondary school principal's salary offering is in accordance with their position level and experience, as detailed in the VCEA Recommended Conditions of Employment for Principals.

2.5. A salary assessment calculator (for teachers only) is available on CEVN under Staffing and Employee Relations / Salary Assessment. Consideration to Education Support and School Service / Learning Support Officers' salary assessment should be made, in addition to the salary assessment calculator due to their specific working conditions.

2.6. Any salary variation (other than for higher duties or changes to FTE) for all MACS staff, as well as any accelerated incremental progression to classifications, salaries, or allowances exceeding the current CEMEA for staff at MACS schools, requires written approval from the appropriate delegate as outlined in the Instrument of Delegation.

2.7. Benefits over and above the current CEMEA, or other relevant and current award or industrial agreement, are to form part of the employee's total remuneration package and paid wholly via the school payroll and disclosed on PAYG summaries.

2.8. When assessing the impact of additional benefits provided in the total remuneration package, schools will also consider FBT implications and adjust salary deduction for FBT, where applicable. The major categories of fringe benefits payable by MACS, along with strategies to minimize the FBT, are outlined in the Taxation chapter.

2.9. Staff pay rates must be updated in payroll systems following CEMEA changes and increments. Group Payroll team is responsible for ensuring the accuracy of pay rates in the payroll systems for schools that utilise shared services, while secondary schools that do not utilise shared services are responsible for ensuring their own pay rates align with the applicable CEMEA. People and Culture team implement regular and proactive checking through tighter protocols and system controls.

3. Personnel Record System (PRS)

3.1. An up-to-date electronic PRS is to be maintained for each staff member. People and Culture team oversights the maintenance of staff records for the primary and secondary schools utlising Shared Services, ensuring pay rates recorded in the respective payroll systems (across office and schools) match the PRS and accurately reflect the appliable CEMEA. Onboarding team collaborates with Employee Relation team to isolate and correct anomalies in salaries and allowances identified, particularly during staff onboarding and when a pay variation occurs particularly.

The remaining secondary schools that do not utilise shared services are responsible for maintaining and updating their own staff records.

3.2. The PRS records need to include all details relating to the calculation of the staff member's salary or wage.

3.3. The electronic PRS record is updated when:

- 3.3.1. the employee commences
- 3.3.2. there is a change of employment status (change of full time equivalent (FTE) or position)
- 3.3.3. the employee receives a salary increment
- 3.3.4. there is a change of salary or wage as the result of a salary assessment
- 3.3.5. any other details included in the employee's electronic PRS record change
- 3.3.6. the employee resigns or is terminated.

4. Employee records

4.1. Schools are required to maintain employee records as required by the regulations of the Fair Work Act 2009.

4.2. Employee records are maintained in a legible form that is readily accessible to a Fair Work inspector.

4.3. Employee records are required to be kept by employers for at least seven years from the termination of the employee's employment, as detailed in the Chapter 16: Financial Records Procedures.

4.4. The following records are specified for retention:

- 4.4.1. general details identifying the employee and their appointment with the employer

4.4.2. overtime worked

4.4.3. renumeration

4.4.4. leave

4.4.5. superannuation

4.4.6. termination

Specified information required for each type of record and other required information is detailed in Appendix 12 of this document.

4.5. An employer may not alter or allow alteration of employee records except or unless to correct an error in a record. The name of the person who made the correction and the nature of the correction is to be recorded.

4.6. Schools are required to issue pay slips in an electronic form or hard copy as required by the regulations of the Fair Work Act 2009.

4.7. Information that must be included on each pay slip is detailed in Appendix 13 of this document.

5. Payroll pay-runs and controls

5.1. Payroll system user access, including role-based access, defined permissions, and appropriate access levels for different user roles, must be reviewed by the Payroll Manager (Group Payroll) or the Business Manager (schools not utilising shared services) monthly.

5.2. Periodic reviews of employee status and contract information must be conducted for both the employee Masterfile and the payroll system to ensure alignment and accuracy. Where possible, automated alerts should be implemented to flag outdated, missing, or inconsistent data, allowing timely investigation and correction.

5.3. Periodic reviews of system configuration should be conducted, particularly following EBA changes and after system update. These reviews include verifying pay rate tables, allowances, loadings, leave rules etc against the applicable EBA requirements, and superannuation settings (including contribution rates and thresholds) tested across multiple staff categories.

5.4. All salaried staff are to be paid according to the hourly rate.

5.5. Pay-run cycle is fortnightly unless subsequently changed. Calculation, review and payment of payroll and pay-run cycle require stringent controls to ensure only appropriately approved payments are made.

5.6. Creation of the employee's initial payroll record in the school's payroll software is performed by a payroll officer and includes a cross check to the employee's employment contract and the relevant employment instrument to ensure that salary and other entitlements are accurately recorded and subsequently paid.

5.7. The termination of an employee is cross checked to their termination notice and calculation of termination benefits payment. Refer to section 10 below for further information on termination pays.

5.8. An exception report must be prepared (where feasible) to identify any anomalies in current pay cycle against standard pay rate and previous fortnight. These variances are to be explained, and corrective action must be taken to resolve any error identified.

5.9. Where MACS office or MACS schools' payroll software is unable to produce an exception report:

5.9.1. the Payroll Officer prepares and maintains a master payroll control report to create a control record to perform a cross check of payroll and the fortnightly pay run. The master payroll control report can be prepared as a spreadsheet and includes all details of salaried employees' standard fortnightly payroll, including each employee's:

- name
- full time equivalent and fortnightly hours worked
- annual salary and hourly rate paid
- annual allowances and fortnightly allowances paid
- gross wages
- employee requested fortnightly deductions

5.9.2. the addition of the new employee record to the master payroll control report and the employee's initial pay run payment are cross checked to the employee's employment contract and the relevant employment instrument by the approved delegate as part of the first pay run.

5.9.3. terminating employee is removed from the master payroll control report following their final pay run and termination benefits payment. Refer to Section 10 for further information on termination pays.

5.10. All other exceptions to the standard fortnightly pay run, such as timesheets, casual relief teacher payments, higher duties payments, leave taken, increases in FTE or salary, must also be cross checked to the pay run to ensure that the payment:

5.10.1. is supported by appropriate documentation

5.10.2. has been approved by the appropriate delegate

5.10.3. is made in accordance with the employee's employment contract, entitlements and relevant employment instrument.

5.11. The pay run exceptions must be approved in accordance with the Instrument of Delegation.

6. Fortnightly payroll validation and payment

6.1. The standard pay run is validated against the master data or the payroll control report. Payroll exceptions must be supported by appropriately approved supporting exception documentation.

6.2. The review of a payroll report and exception report must include the check of all pay components and validation of significant net pay amounts (recommended: $10k or above). Approval of the payroll report must be provided in writing.

6.3. Payroll report and payroll exceptions report must be approved by (i) the General Manager, Payroll for the primary and secondary schools under Shared Services and MACS Office, or (ii) Business Managers for schools not utilizing Shared.

6.4. Payment files must be reconciled to the net pay, superannuation, PAYG, deduction and other balances shown in the payroll report.

6.5. The payroll report, supporting exception documentation and delegated approver authorisation is retained for perusal by external auditors and other authorised organisations.

6.6. Payment of the fortnightly pay run by electronic funds transfer (EFT) must follow dual authorisation procedures required for all EFT payments, and in accordance with the Instrument of Delegation.

6.7. Super clearing house must be monitored and bounced back payments are promptly followed up.

6.8. The responsibility of the person who checks and authorises the payroll summary is not diminished if an outside salary service prepares the payroll, or a salary packaging provider processes the salary packaging for staff.

6.9. It is a mandatory obligation that all employers report income, tax and super to ATO through prevailing Single Touch Payroll (ie. currently STP phase 2). This information will be available to employees through ATO online services via MyGov and called an 'income statement'.

7. Off- cycle Payrun and payment

7.1. Off-cycle payroll should be minimised and only used for valid reasons (e.g., employee termination, back pay due to error, or urgent compliance-related payments).

7.2. Routine adjustments (non-urgent) should be processed in the next regular pay cycle.

7.3. All off-cycle payments must be supported by appropriate documentation (e.g., termination letter, back pay calculation).

7.4. The calculation, review, reconciliation, and payment processes outlined in sections 5 and 6 above for the fortnightly pay run must also be applied to off-cycle pay runs and payments.

7.5. Off-cycle payroll and payment reports must be approved in accordance with the Instrument of Delegation.

8. Superannuation

8.1. The minimum employer superannuation contribution is based upon Australian Government legislation.

8.2. Super Guarantee Contributions (SGC) are to be applied to gross salary and wages that are Ordinary Time Earnings, as determined by the ATO.

8.3. Gross salaries and wages are measured before salary packaging arrangements and do not include stipends.

8.4. Superannuation must be paid in accordance with ATO legislation, currently four times a year as the minimum, by the quarterly due dates set by the ATO. Larger schools should consider paying superannuation monthly or more frequently, to assist with cashflow management.

9. PAYG Withholding

9.1. Refer to PAYG section for details on the payment dates of PAYG. The payment date is reliant on the size of the payroll.

9.2. The ATO require all entities including MACS Office and MACS schools to use STP reporting. Refer to the PAYG reporting section for more information.

10. Termination payment

10.1. An employee should get the following entitlements in their final pay:

10.1.1. outstanding wages for hours they have worked, including penalty rates and allowances

10.1.2. any accumulated annual leave, including annual leave loading if it would have been paid during employment

10.1.3. if applicable:

- accrued or pro rata long service leave
- payment in lieu of notice
- redundancy pay.

10.2. The timing of termination pays are as follows:

10.2.1. Payment in lieu of notice on the day of termination

10.2.2. Long service leave: on the day of termination

10.2.3. Final wages and all other amounts within 7 days of the employment ending or in accordance with the applicable CEMEA.

Refer to Final pay - Fair Work Ombudsman for further information.

11. Paid Parental Leave Scheme

11.1. Eligible employees are entitled to parental leave payments at the National Minimum Wage, for up to 20 weeks in addition to any entitlement the staff member may have under the current CEMEA.

11.2. Payroll Officers should maintain a record of payments made under the government paid parental leave scheme for each employee as an exception for each relevant pay run and a cumulative total to ensure that entitlements are paid correctly and not exceeded.

11.3. Information regarding the government paid parental leave scheme is available at the Australian Government Services website: Paid – Parental Leave Scheme.

12. Payroll Deductions

12.1. Payroll deductions include HECS/HELP repayments (in form of withholding tax), child support, union fee, additional superannuation, and salary packaging. These deductions are processed through the regular payroll system in accordance with legislative requirements.

12.2. The following types of deductions will no longer be supported through payroll due to the high administrative burden involved. They are not directly related to school operations.

- Tea Money Deductions –Deductions are used to provide tea and coffee for employees. Payroll will cease facilitating tea money deductions from **Term 3, 2025**.
- School Association Deductions – These deductions relate to voluntary staff contributions (e.g., baby gifts, Christmas celebrations, and other staff social activities). Payroll will no longer process these deductions from **Term 1, 2026**.

Schools who wish to continue these activities will need to self-manage the arrangements using bank accounts not linked to the school's or MACS' ABN, and ensure they are kept outside the schools' financial records. The staff may consider using mobile apps such as Collctiv or Spend Together to manage social expenses and group contributions for activities such as staff gifts, Christmas celebrations, or tea and coffee supplies. These tools can help track staff contributions and related group spending in a transparent and efficient manner.

13. Salary Packaging

13.1. MACS office and MACS schools are required to utilise the MACS approved agency (currently Smartsalary) for their salary sacrifice and salary packaging requirements.

13.2. Where salary packaged items attract FBT, the salary deduction should include an appropriate amount for FBT.

13.3. MACS offices and MACS schools with employees in this category should perform an annual FBT reconciliation for the **31 March** FBT financial year end, to ensure that:

13.3.1. FBT has been correctly calculated and deducted as part of each employee's salary sacrifice arrangements

13.3.2. where FBT has been calculated on an estimated expense (e.g., motor vehicle running expenses) that both the expense and FBT are adjusted prior to FBT year end, when the FBT year's actual expenses are known.

13.3.3. where an adjustment is required, the salary packaging arrangement is also adjusted in payroll transactions for both the expense and associated FBT. Underestimated expenses and FBT will need to be deducted from salary. Overestimated expenses and FBT will need to be refunded to salary.

13.3.4. FBT deducted from employees' salary packaging, added any other FBT calculated on the school's behalf equals the FBT in the school's general ledger for the FBT year and the amount paid to the ATO for the FBT financial year.

13.4. Useful salary packaging information is detailed within the MACS Salary Packaging Guidelines available the CEVN website under Finance /Fringe Benefits Tax (FBT) and Salary Packaging.

14. Staff Reimbursement

Police and Working with Children checks, and business travel mileage claims, are reimbursed through the payroll process. Refer to Chapter 6: Accounts Payable and Expense Disbursement for eligibility requirements and the claim process.

15. End of Month

15.1. Payroll expenses: On a monthly basis, payroll expenses for the remaining days from the last payroll cycle to the final working day of the month are calculated and accrued in the financial ERP system by relevant payroll and/or finance teams.

15.2. Annual leave accruals: Annual leave accruals are processed as part of each fortnightly payroll cycle. The Payroll team is responsible for accruing the on-costs associated with annual leave balances.

- Monthly accrual: For staff entitled to the standard **20 days** of annual leave per annum.
- Annual accrual (December): For **Term 4** holidays (December and January) for staff entitled to school holiday periods.

16. End of Financial Year and End of Payroll Year

16.1. MACS office and MACS schools are required to reconcile their payroll and payroll on-costs general ledger accounts with the payroll subledger at the end of both the payroll year and the financial year.

16.2. Reconciliations and supporting payroll reports should be retained for perusal by external auditors and other authorised organisations.

16.3. Single Touch Payroll (STP) data are required to be finalised at the end of the financial year. Income statement (or payment summary) is made available to employees by 14 July each year, however, if a ceased employee writes to request an income statement, the employer is required to issue it within **14 days**, unless it will include a reportable fringe benefits amount.

16.4. Employers using STP are required to make a declaration to the ATO that they have provided all the information for each employee for a financial year. This declaration allows the ATO to make the employee information available for income tax return prefill for employees. It will also update the employee's MyGov payroll page, to show the STP reported information is final for the financial year and display the information as 'tax ready' in MyGov.

16.5. Where an employee receives a reportable fringe benefits or employer super contribution amounts, these are reported through STP. Schools provide year to date information through a payroll event or an update event throughout the financial year. If a reportable fringe benefits amount is to be included in the income statement, it need not be issued until 14 July after the applicable payroll taxation year.

Where the need for the amendment is identified, the employer has 14 days to report the amendment through STP. Any amendment after the end of financial year to the employee's payroll information must be reported via an update event through STP. Employers can amend finalised data reported through STP up to five years after the end of financial year using an update event. For further information refer to the Guide to Pay As You Go for Business, issued by the ATO.

17. Review and Reconciliation

17.1. Payroll reconciliation is a key control process to ensure the accuracy, completeness, and integrity of all payroll transactions. Any balances other than timing differences must be investigated and resolved promptly, ideally by the following period closure. Refer to Chapter 14 – Balance Sheet Reconciliation for further details on reconciliation process.

17.2. For schools using shared services, the Accounting Services team (Financial Shared Services) manages payroll reconciliations using the Consolidated Payroll Reconciliation Template.

Secondary schools not under Shared services use the reconciliation pack provided by School Finance.

The reconciliation review includes:

- Relevant payroll clearing accounts
- Reconciliation of payroll sub-ledger to general ledgers using appropriate reconciliation template.

Back to Top

Chapter 12

Credit Card

This procedure supports the Procurement and Contract Management Policy in relation to the use of credit cards, aiming to establish and maintain an effective internal controls over credit card management and transaction processing, ensuring transparency, accountability and enhanced financial oversight and reporting. It outlines comprehensive guidelines for the responsible and streamlined use of both physical and virtual corporate credit cards, in alignment with the FlexiPurchase expense management system.

Key Guidelines

- All credit card activity 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.
- Credit cards may be used for low-value, ad hoc, or time-sensitive purchases where preferred payment methods (e.g., EFT or BPAY) are not practical. Typical examples include travel-related expenses, professional development, or online transactions where no invoice option is available. Credit cards must be used exclusively for legitimate business-related expenditure and directly support the operations of MACS offices and MACS schools. The personal use of business credit cards is strictly prohibited.
- For travel-related purchases, cardholders must comply with the provisions outlined in the MACS Travel Policy, ensuring alignment with approved travel procedures.
- Business credit cards may only be issued to the eligible individuals with the approval of the financial delegate in accordance with the MACS Instrument of Delegation.
- All corporate credit cardholders and their delegates are required to acknowledge that they have read and understood the Credit Card Policy and agree to adhere to the conditions and procedures outlined herein, including the responsible use of corporate credit cards and compliance with controls and processes established under this procedure.
- 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 monthly.

Business Related Use of Credit Cards

1. Card Issuance

1.1. Only positions requiring frequent official purchasing and holding financial delegations are eligible to apply for a credit card in accordance with the credit card limit set out below.

1.2. Financial Shared Services is responsible for ensuring cardholder policy acknowledgement is received and recorded before actioning new card request.

1.3. MACS Financial Shared Services verifies that the card applicant is a current employee and confirms that no conflicts of interest exist in relation to the employee's role and their proposed use of the corporate credit card.

1.4. Physical card application and control

1.4.1. Physical credit cards will be issued to the following eligible staff and subject to approval in accordance with MACS Instrument of Delegation.

1.4.2. Eligible staff may opt not to be issued a credit card, provided that alternative purchasing arrangements as detailed in Chapter 6: Accounts Payable and Disbursement are in place to support their operational needs.

1.4.3. In limited circumstances where Staff in positions not listed as eligible require a physical business card, approval must be obtained from the General Manager, Group Finance.

These requests will be assessed based on the operational needs and the staff member's financial responsibility.

MACS Offices	MACS Primary Schools	MACS Secondary Schools
Executive Director	Principal	Principal
Director		Deputy Principal
Chief Officer Role		School Business Manager
General Manager Role		School Positions of Leadership as determined by Principal
MACS Senior Manager School Leadership Role from the Education Excellence Directorate.		

1.4.4. Submit a new credit card request by email to flexipurchase@macs.vic.edu.au The mailbox is linked to the finance online service request management system (HEAT), which keeps a documented audit trail, for approval by the delegate indicated in the MACS Instrument of Delegation.

1.4.5. The flexipurchase@macs.vic.edu.au must then reply with the Credit Card Policy attached and request the sender to acknowledge that they have read the policy and agree to comply with its conditions and procedures.

1.5. Virtual card application and control

1.5.1. The NAB FlexiPurchase Virtual card was introduced in 2024 to MACS Offices and Schools, in collaboration with Catholic Development Fund (CDF). It provides a secure and efficient way to make business payments without the need for physical cards. Integrated with the FlexiPurchase expense management system, virtual card enables smart controls, real-time transaction tracking and improved financial oversight. Refer to Appendix 15, Comparison Summary between Physical Card vs. Virtual Card.

1.5.2. Virtual cards will only be issued to eligible staff pre-approved by authorised delegates listed in the MACS Instrument of Delegation.

1.5.3. In limited circumstances, virtual cards may be issued to staff outside of the listed roles when required, based on operational needs or specific situational requirements, subject to appropriate approval and oversight.

MACS Offices	MACS Schools
Manager Role	Senior School role
Team Lead Role	Staff pre-approved to coordinate one-off events and pay related expenses
Senior Role	Staff pre-approved to incur expenses that are reimbursed by MACS
Executive Assistant	
Staff pre-approved to coordinate one-off events and pay related expenses	
Staff pre-approved to incur expenses that are reimbursed by MACS	

1.5.4. Virtual cards must be used in accordance with the same principles governing physical corporate credit cards, including adherence to Credit Card Procedure and responsible, business-related expenditures only.

1.5.5. Physical cardholders are not permitted to use virtual cards.

1.5.6. Multiple virtual cards may be issued to a user for different purposes at any given time.

1.5.7. To ensure secure and controlled usage, virtual cards must be:

– Issued with defined transaction limits (maximum **$5,000 per card**) and expiry dates (recommended to be up to 30 days), with exemptions applying to overseas travel usage or when the card is held by an acting Principal

    - Credit limit of up to $2,500: Principal to approve
    - Credit limit above $2,500 up to $5,000: Requires approval from General Manager, Group Finance (MACS Office)
- Restricted to approved categories of spend.
    - One-off spending where physical cards are not practical and preferred payment methods (e.g., EFT or BPAY) are not available.
    - Specific purpose purchases.
    - Allowable staff expenses as outlined in the Accounts Payable and Expense Disbursement chapter.
- Monitored by cardholder through the FlexiPurchase expense management system, with mandatory documentation and justification for each transaction.
- Subject to the same review, reconciliation and reporting requirements as physical card transactions.
- At any point in time, the total limit of all open virtual cards should be monitored to stay within the facility limit by the Group Treasury team.

2. Credit Limit Matrix – Physical credit cards

2.1. The default monthly credit limit and single transaction ceiling for each role holding a physical credit card are outlined below.

2.1.1. A temporary credit limit increase may be applied only where operational requirements necessitate expenses that will exceed the existing limit and must be approved by the authorised delegate. Such increases will apply strictly for the approved purpose specified. The temporary limit will automatically revert to the original approved limit at the expiry date set in the approval.

2.1.2. Any other variation from the default limit will be carefully assessed taking into account operational requirements and the financial responsibilities of the cardholder.

Position	Default monthly limit	Single-transaction ceiling
Executive Director	$10,000	$5,000
MACS Director	$10,000	$5,000
MACS Chief Officer	$10,000	$5,000
MACS General Manager	$10,000	$5,000
Principal (Secondary Schools)	$15,000	$8,000
Principal (Primary Schools)	$10,000	$5,000
Deputy Principal (Secondary School)	$5,000	$2,000
Secondary Business Manager	$5,000	$2,000
Manager, Team Leader & Senior Role	$2,000	$1,000

3. Change in Credit Card Limits

3.1. Requests for limit increases/decreases must be justified with operational need, within default credit limit and approved by the authorised delegate in accordance with the Instrument of Delegation.

3.2. Any permanent higher limit than the default amount listed in the table must be approved by the Chief Financial Officer (CFO) or the Director, Finance, Infrastructure and Digital.

3.3. Where a cardholder is absent for more than 30 days, a temporary limit reduction is required, subject to whether an existing direct debit arrangement in place. During the period of absence, the card limit will be reduced to $0, with the existing direct debit transactions permitted. Examples of extended leave include:

- Parental Leave
- Long service leave
- Extended personal leave
- Unpaid leave

- Secondment to another organisation or role

3.4. If the cardholder is on extended leave, the appointed acting person must apply for a virtual credit card with a defined expiry date at least 21 days before the cardholder commences leave.

3.5. Cardholders seeking a credit limit adjustment must submit request by email to flexipurchase@macs.vic.edu.au

3.6. Cardholders will be notified by email of any limit changes and the effective dates.

4. Cardholder Responsibilities

4.1. MACS corporate cardholders have a responsibility to:

4.1.1. read the Credit Card Policy and Procedure and adhere to the conditions and procedures it sets out

4.1.2. ensure the credit card is used in accordance with MACS policies and procedures, including the Finance and Accounting Policy

4.1.3. keep the credit card in a secure place

4.1.4. ensure that cost-effective purchases are made

4.1.5. acquit transactions for authorisation and ensure that a tax invoice is attached to each transaction

4.1.6. notify the Office if going on extended leave (more than 30 days) by email to flexipurchase@macs.vic.edu.au

4.1.7. appoint a delegate for coding and submitting transactions, where the cardholder will be absent during a statement period

4.1.8. in the event of loss or theft of the card and suspected fraud or unauthorised use:

- Immediately notify NAB to block the card.
- Notify flexipurchase@macs.vic.edu.au and line manager as soon as practicable.

4.1.9. immediately return the card if:

- requested by the MACS School Principal
- requested by Group Finance of MACS office
- the cardholder leaves the MACS office or MACS school
- the card is no longer required.

5. Acceptable and Prohibited Use

While the preferred methods of payment for MACS schools and the MACS Offices are EFT and BPAY, which follow formal approval processes and internal controls, corporate credit cards may be used in limited circumstances where other methods are not available and must not circumvent existing purchasing controls. The use of corporate credit cards is restricted to MACS business purposes only.

Acceptable Use	Prohibited Use
For MACS Schools, professional development registrations (e.g. conferences, training events) where payment by invoice is unavailable	Cash advances and withdrawals including purchase of cash products (e.g. foreign currency, travel card)
Travel and accommodation expenses in line with MACS travel policy. Employees in MACS offices are required to seek pre-approval from relevant approver and use MACS approved travel management provider	Personal expenses of any kind, even if intending to be repaid
Online and overseas purchases such as digital resources, software subscriptions, or minor supplies where payment by invoice is unavailable	Purchases that can be sourced from preferred suppliers (without valid justification)
Emergency student welfare expenses (e.g. meals, clothing, transport) requiring immediate payment	Alcohol purchases (unless part of pre-approved hospitality)
Hospitality or incidental expenses related to school-approved events or meetings	Gift cards (unless pre-approved for business purposes)
Staff entertainment meals, events, or activities for employees and/or external parties, where	Split transactions designed to circumvent single transaction limits

approved in line with MACS policy and complied with fringe benefit tax (FBT) requirements	
Minor Equipment purchases not available through standard suppliers or procurement channels	IT equipment, software, and other capital purchases
	Fines, penalties, or traffic infringements
	Donations or political contributions
	Expenses already covered by allowances (e.g. fuel, meals)
	Linking personal reward programs (e.g. airline, bank rewards)

6. Acquittals – Recording of Transaction and Documentation

6.1. Corporate credit cards are issued in the name of the individual staff member who is responsible for all transactions made on the card. A cardholder may nominate a delegate coder upon request and must:

- read and agree to adhere to the Credit Card Procedure.
- complete coding for approved business expenses on behalf of cardholder.
- delegate coder access must be removed immediately upon:
  - termination of employment
  - position changes where access is no longer required.
  - the cardholder withdrawing authorisation.

6.2. Cardholders or delegate coders must ensure that FlexiPurchase coding and linking of tax invoices/receipts for all transactions is completed before the 25th of each month. Any changes made after the 25th will reflect in the following month's transaction listing. An auto-email reminder notice will be sent every Wednesday to both the cardholder and delegate coders for transactions not coded. Late acquittals may result in:

- A warning notice advising non-compliance and possible suspension of the credit card if not acquitted for 30 days following month-end close
- Temporary suspension of the credit card and possible recovery of funds for non-compliance of beyond 60 days

6.3. Group Finance (the enhanced Treasury function once it is established) will regularly review credit card acquittals and spending for both physical and virtual cards to identify material anomalies. Card use may be suspended or revoked if any misuse is identified.

6.4. Recording of Credit Card Transactions. Each transaction must be:

6.4.1. Coded to the correct general ledger account and activity code (if applicable).

6.4.2. Coded to the correct GST tax code.

6.4.3. Description and business purpose clearly stated in the expense description field.

6.4.4. Supported by a complying tax invoice. In exceptional circumstances where an invoice is not available or cannot be obtained:

- GST input tax credits cannot be claimed and should be coded to zero, unless for purchases under $82.50 (including GST), alternative evidence will suffice to claim GST credits if it shows the purchase description and the GST amount.
- Document on why the tax invoice/receipt is missing and provide alternative evidence such as:
  - Supplier confirmation email showing what was purchased or service provided.
  - Proof of internal approval, demonstration approval and business purpose
  - Proof of delivery or service completion such as packing/delivery slip or service acknowledgement
  - Order confirmation showing purchase details.
  - If any of above alternative evidence cannot be obtained, a Statutory Declaration of Missing Tax Invoice/Receipt must be completed if the total value of missing or

unsupported receipts exceeds the cardholder's single transaction ceiling limit specified in credit limit matrix.

6.4.5. Cardholders or delegate coders must ensure the goods or services paid using the credit card were/will be received.

6.4.6. Fringe Benefit Tax may be payable on some expenses; the most common form is for the payment of entertainment expenses. Refer to Chapter 17 Taxation for further information.

6.4.7. The cardholder or delegate coder should download the statement report and submit it to the Approving Managers for review and approval.

6.4.8. Refer to FlexiPurchase User Guide, which can be found on CEVN for further information.

7. Transaction Review and Approval

7.1. Approving Managers' review includes, but is not limited to, the assessment of exception items such as:

- High value items above the cardholder single transaction ceiling
- Missing supporting documentation
- Splitting transaction of multiple charges just below the cardholder's single transaction limit to bypass policy
- Unusual suppliers and purchases
- Direct debit or recurring charges to ensure they are authorised and still needed
- Duplicate payments – same supplier, date and amount appearing twice
- Prohibited items

7.2. Ensure purchases align with approved budgets and policy.

7.3. Submit to Financial Shared Services to record in MACS' financial records.

8. Disputed Transactions

8.1. The cardholder must request a reversal of the charges from the supplier or merchant in a timely manner if:

- Goods or services are not delivered or not delivered as expected.
- Card is charged twice for the same item.
- Card is charged the wrong amount.
- If the dispute is not resolved promptly, mark the transaction as disputed within FlexiPurchase and this will prompt you to complete the NAB Corporate Card Disputed Transaction Advice Form. Immediately lodge the form directly to cardholder.disputes@nab.com.au for investigation as specified on the form.

8.2. Any fraudulent transactions must be reported to NAB Fraud team immediately. Contact numbers can be found at the back of the credit card.

8.3. Cardholders are responsible for ensuring that disputed transactions are submitted and processed within 30 days of the statement date in accordance with the bank's guidelines.

9. Fringe Benefit Tax Compliance

9.1. It is the responsibility of physical cardholders and those approving the issuance of virtual cards to ensure compliance with Fringe Benefits Tax (FBT) requirements and to minimise additional costs to the Company. Refer to Chapter 17: Taxation for further details.

9.2. Where business-related purchases may potentially fall within FBT scope, cardholders must provide supporting documentation as outlined in Fringe Benefit Section, Chapter 17: Taxation and upload it in FlexiPurchase together with the supporting tax invoice.

9.3. If the above form is not submitted, the cardholder may be requested to complete it should do so promptly to ensure compliance.

10. Cancelling Cards

10.1. Prior to cancellation, all outstanding transactions must be fully acquitted in the FlexiPurchase expense management system. Any known transactions that have not yet appeared in the system must be reported to the relevant authorising delegate.

10.2. Periodic direct debit transactions from corporate credit cards should only be established in exceptional circumstances. The cardholder is responsible for cancelling any recurring payments (e.g. subscriptions or departmental memberships) prior to card cancellation. Personal-use subscriptions are not permitted.

10.3. Cards must be returned and cancelled immediately:

- Once the resignation is formally submitted or at the earliest feasible date
- Change in role that removes financial delegations or eligibility
- When the credit card has not been used for 12 months
- Misuse or repeated non-compliance with policy
- Suspected fraud or unauthorised use
- In the event of loss or theft of the card

10.4. Cancellation request must be submitted by email to flexipurchase@macs.vic.edu.au, except in cases of loss, theft or suspected fraud, where cardholder must immediately contact NAB in the first instance.

10.5. Upon confirmation of cancellation, the credit card must be physically destroyed by cutting in half and disposed of securely at the business premises.

11. Expired Credit Cards

11.1. Cards are automatically renewed prior to expiry date and sent directly to the cardholder.

11.2. Upon receipt of the replacement card, the cardholder must immediately cut the expired card in half and securely dispose of it within the business premises.

Back to Top

Chapter 13

Expense Control and Governance

This procedure establishes clear guidance to ensure that all expenses incurred across MACS offices and schools are reasonable, clearly linked to business purposes and strategy, and managed with a high standard of probity and accountability. It also supports compliance with procurement and employment frameworks and ensures effective management of Fringe Benefits Tax (FBT) obligations in line with relevant legislation.

Key Guidelines

- 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 in 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. The management of these expenses, including the end-to-end payroll process, reporting, and payroll records as outlined in Chapter 7: Payroll Procedure must be applied consistently across both the MACS Office and all MACS schools.
- 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 Fringe Benefits Tax (FBT) implications.
- 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. Refer to the ATO's not-for-profit guidance on meal entertainment and FBT for more information.
- Travel-related expenses are to be managed in accordance with the Travel Policy.
- All expenses potentially subject to FBT must be reviewed in line with the guidelines set out in Chapter 13 Taxation – Fringe Benefits Tax to ensure proper treatment and compliance with the ATO requirements.

Back to Top

Chapter 14

Balance Sheet Reconciliation

This procedure ensures timely and accurate reconciliation of all balance sheet accounts for the MACS office and schools, providing reliable financial information. Regular balance sheet reconciliations help identify discrepancies, errors, or unusual transactions, enabling corrective action and supporting the integrity of financial statements.

Key Guidelines

- 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.
- Reconciliations must be prepared and reviewed by another person with appropriate skills and knowledge, ensuring a clear segregation of duties between the preparer and the reviewer.
- Each reconciliation must be fully supported by appropriate documentation, which must be securely stored within the approved locations.
- Reconciling items must be reviewed, with narration to explain any unreconciled items, and resolved as soon as reasonably possible after the period-end, with material variances and manual adjustments subject to review by senior finance staff.

1. Risk-Based Approach

The frequency of balance sheet reconciliations is determined by the risk profile of each account. Higher risk accounts require more frequent reconciliations to minimise the likelihood of errors or fraud. Accounts are considered higher-risk if they demonstrate one or more of the following characteristics:

- Frequent transactions (such as daily or weekly),
- Complex transactions;
- Material balances or transactions,
- Inherent risk such as cash, accounts receivable, and accounts payable, or
- Issues flagged in previous audits.

2. Reconciliation Timing and Frequency

2.1. Balance sheet reconciliations should be completed and reviewed at a minimum by the date specified in the quarterly or year-end timetable distributed by the Financial Controller, Group Finance. MACS office, MACSS, and schools may choose to perform either full balance sheet reconciliations or only higher-risk account reconciliations on a more frequent basis.

3. Reconciliation Process

3.1. Retrieve details for the account being reconciled and collect relevant supporting documentations to explain the account balances. Supporting documents are dependent on the nature of the accounts:

- A control account should be supported by associated sub-ledger accounts
- A clearing or suspense account should be supported by appropriate break-down of the account balance.

3.2. Compare the balance in the general ledger against the supporting documents, identifying discrepancies, aged items, or unmatched entries.

3.3. Investigate the cause of any variances by reviewing underlying transactions and related documentation. Identified errors must be reviewed and cleared as soon as reasonably possible after the period closure to ensure balance sheet account balances remain accurate and up to date.

3.4. A reconciling item over **$50,000** must include a documented resolution plan and be reviewed by the designated reviewer as detailed in Section 4.1.

3.5. The plan for resolution should be monitored and updated monthly until all items are fully resolved.

Table of Reconciliation Frequency , Risk and Supporting Document examples

Category	Sub Category examples	Supporting Documents	Risk Profile	Risk Rationale	Frequency
Cash and Cash Equivalents	Bank, Term Deposits, Petty Cash	Bank statements, cash count sheets, deposit slips, bank reconciliations	High	To ensure that all incomings and outgoings are recorded correctly and no transactions are missing.	Bank accounts: • ***Weekly**, where feasible (*),* except for low volume bank accounts • ***Monthly,** where feasible (*),* for low volume bank accounts (ie. less than **10** transactions per month). Petty cash: at least monthly or on renewal of float. Term Deposits: quarterly or on maturity.
Receivables	Trade Debtors, Tuition fees, grants, intercompany, GST receivable	Sub-ledger reports, invoices, grant agreements, intercompany schedules, Aged Debtor Report	High	To ensure that the GL and Subledger agree. Review of large overdue balances which can affect cash flow and highlight delinquent Debtors	***Monthly,** where feasible (*),* reconciliation of Subledger *Monthly* review of outstanding debt (where feasible *).

Category	Sub Category examples	Supporting Documents	Risk Profile	Risk Rationale	Frequency
Prepayments, Provisions and Accruals	Insurance, subscriptions, rent, accrued income, Doubtful debt provision	Prepayment schedules, invoices, contracts, accrual calculations. doubtful debt provision template	High	Failure to review and release monthly could lead to a material transaction in future periods	***Monthly*** Reconciliation (where feasible *), otherwise quarterly in line with school closure timeline – Review and Release prior to period-end.
Fixed Assets and Inventory	Buildings, equipment, IT hardware, vehicles Canteen, Bookstore and Uniform Inventory	Fixed asset register, purchase invoices, depreciation schedules, disposal records, stocktake sheets	High	To ensure all assets are accounted for and recorded at correct value To ensure that inventory is recorded at correct value and there is no shrinkage	***Monthly*** Review of Assets disposals and additions to ensure accurate recording where feasible (*).
Clearing / Suspense Accounts – Non-Payroll	EFT clearing, bank suspense	Transaction listings, journal entries, reconciliation breakdowns, aged item reports	High	Clearing accounts should clear to zero at end of each month. Suspense accounts should be cleared and posting errors corrected	***Monthly*** *where feasible.*

Category	Sub Category examples	Supporting Documents	Risk Profile	Risk Rationale	Frequency
Payables	Accounts payable, accrued expenses, GST payable	Sub-ledger reports, supplier invoices, accrual worksheets, tax reports	High	To ensure that the Subledger agrees with GL To ensure that there are no unexpected outstanding balances and where applicable that Subledger balances agree with Supplier Statements To ensure that GST payable is recorded and paid accurately and on time.	***Monthly*** Reconciliation of Subledger to GL (where feasible) ***Monthly*** revies of Supplier balances (where feasible) GST Payable reconciliations are performed when a BAS is lodged (ie. monthly).
Loans	Office and school loans with CDF	Loan documents and schedules	Medium	To ensure that all loans are accounted for and recorded accurately	At least ***Quarterly***
Other Liabilities	Lease liabilities, bonds held	Lease agreements, bond registers, amortisation schedules	Medium	To ensure liabilities are recorded accurately	Other Liabilities – reconciliations should be performed based on the transaction volume: • ***Monthly*** – accounts with more than **10** transactions per month (where feasible *) • ***Quarterly*** – accounts with fewer transactions (where feasible *). The above frequency is adjusted where require to ensure alignment with current period-end closure and reporting cycle.
Unearned Income, Deferred Revenue, Refundable Deposits	School fees in advance, grants received in advance Deposits held	Fee schedules, Deposits held, , grant agreements,	Medium to High	• Failure to review and release monthly could lead to a material	• ***Monthly*** Reconciliation of deferred revenue, where feasible (*) – Review and Release prior to relevant period-end

Category	Sub Category examples	Supporting Documents	Risk Profile	Risk Rationale	Frequency
	by schools that are refundable e.g. future student fees	deferred income calculations		transaction in future periods • To ensure that Deposits are released or refunded.	• Review of refundable deposits held, school fees and grants received in advance in line with the billing and payment cycle.
Payroll Clearing accounts	PAYG withholding, SGC (Employee Superannuation Clearing		High	To ensure that Payments are made to Statutory bodies correctly, clearing accounts should clear to zero. Balances at end of each month, if any, should relate to timing differences and must specify expected clearance timeframe.	***Monthly** where feasible (*)*
Payroll Provisions	Annual and Long Service Leave	Leave provision calculations, payroll reports	High	• To ensure that the Payroll Module reconciles to the General Ledger – Annual Leave • To ensure that LSL claims from the scheme are recouped	• ***Monthly*** Reconciliation, where feasible (*) – Review Annual Leave and complete Journals prior to Month End • ***Monthly*** claim submitted to the Long Service leave scheme • ***Annual*** review of the LSL liability

Category	Sub Category examples	Supporting Documents	Risk Profile	Risk Rationale	Frequency
				• To ensure that the LSL Liability is assessed for reporting purposes	
Equity (**)	Retained earnings, reserves, current year surplus	Trial balance, prior year financial statements, approved reserve movements	Medium	To ensure accurate reporting.	***Annual*** review

(*) Aligned with current period-end closure and reporting cycle.

(**) Movement in Accumulated Funds/Retained Earnings (excluding the automated transfer of the current-year profit or loss) and any transfers to or between reserves must be supported by general journals approved in accordance with below:

- For MACS schools, these journals must be endorsed by the General Manager, School Finance and reviewed and approved by the General Manager, Group Finance.
- For MACS office journals, review and approval by the General Manager, Group Finance is required.

3. Preparation and review

3.1. All balance sheet account reconciliations must be completed and reviewed by appropriately designated staff, ensuring a clear separation of duties between the preparer and approver. The approvers are required to apply professional judgement in reviewing the reconciliations, particularly the accounts with significant variances, guided by the risk profile of the accounts as outlined in Section 1.

Entity	Complete by	Review by
MACS office	Junior staff, Group Finance	Senior Staff, Group Finance
Schools Utilising Shared Services	Accounting Services officers, Financial Accounting Services	Senior Staff, Accounting Services
Schools Not Utilising Shared Services	Accountant/Junior Finance Staff	Finance/Business Manager

3.2. Finalised MACS office reconciliations should be saved in Content Manager. School reconciliations should be saved on the network drive of the Financial Shared Services or the respective school records.

Chapter 15

External Audit

This procedure outlines the responsibilities and processes involved in informing staff about their duties and financial accounting requirements related to the external audit of MACS consolidated financial statements.

Key Guidelines

- 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 the 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.
- MACS Group aims to achieve an unqualified audit opinion, reflecting high standards of financial management and reporting.
- The external audit is conducted at the MACS Group level; individual schools are not subject to 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.

1. External Audit Compliance

1.1. Under the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulation 2022 and the Schools Assistance Act 2008, the annual consolidated financial statements for the MACS group must undergo an external audit by a registered company auditor.

1.2. The external auditor must be appointed by the Board in accordance with MACS Instrument of Delegation.

1.3. The external auditor must be free of conflicts of interest and declare their independence from MACS and its subsidiaries.

1.4. The group's audited information is due for submission to the Australian Charities and Not-for-profits Commission (ACNC) no later than 6 months after the end of the reporting year (i.e. 30 June for MACS and its subsidiaries).

1.5. The external audit is performed on MACS Group level; schools are **not** required to be audited individually. Derived data from the group audit is sufficient for government reporting.

2. Audit Opinion

2.1. The external auditor is required to render a qualified or unqualified audit opinion at the conclusion of the audit.

2.2. Where the external auditor can express a 'true and fair view' concerning the group's consolidated financial position and of its performance covering the reporting year, an unqualified audit opinion will be issued. Where the auditor cannot express a true and fair view, a qualified audit opinion will be issued.

3. Auditor Engagement and Scope

3.1. The external auditor is required to draft and send an engagement letter to MACS outlining the scope, objectives, responsibilities, and timing of the external group audit. This letter is signed by the Chair of the Finance and Audit Committee in accordance with Instrument of Delegation on behalf of MACS and its subsidiaries.

3.2. Schools' audited financial data is used to prepare the Australian Government Department of Education Online Financial Questionnaire (FQ) and the ACNC Annual Information Statement. The external auditors do not perform the audit on schools' FQ submission.

4. Roles and Responsibilities

4.1. The following is a non-exhaustive list of roles and responsibilities required in relation to completing the annual group external audit:

Who	Responsible for
Financial Controller, Group Finance	• Acting as the key point of contact for the external auditors for the duration of the audit.
Financial Accounting, Group Finance	• Ensuring all relevant staff are informed of any changes to applicable Australian Accounting Standards and related financial accounting requirements • Preparing the consolidated financial statements that gives a true and fair view of the group's financial position in accordance with Australian Accounting Standards • Producing the year end timetable for the key internal deliverables and audit requirements • Providing audit files for the MACS office, centralised posting such as leases, provision for doubtful debts and accrued capital grants, and group related transactions, such as insurance and Workcover • Posting any central and audit adjustments into the trial balance of ICON schools and providing these adjustments to Non-Icon schools to post in their accounting systems. • Ensuring the accuracy of the MACS office trial balance and subledgers • Developing action plans in response to key risks identified from external audit findings and working with Finance General Managers to verify that corrective actions have been implemented • Reporting the external audit findings and key risks to the Board and Finance & Audit Committee (FAC)
Financial Shared Services (FSC)	• Best efforts in ensuring the material accuracy and completeness of the trial balance and subledgers for each school utilizing Financial Shared Services • Providing audit related documentation for the schools within the Financial Shared Services portfolio and centralised posting such as salary accruals and accrued interest
Secondary School Principals and Business Managers	• Ensuring their school's trial balance and subledgers have been prepared in accordance with applicable Australian Accounting Standards • Ensuring their school's trial balance and subledgers are complete and accurate, and includes all assets and liabilities under the school name • Providing the auditors with access to all the school's information relevant for the preparation of the financial reports, such as documentation and other matters
School Finance	• Necessary coordination with school principals and leadership teams to acquire school level information which is not maintained by FSC

5. Attestations

5.1. External

As part of the external audit, a management letter must be signed by the Director, Finance, Infrastructure and Digital, in line with the Instrument of Delegation. This letter is an attestation of the integrity, accuracy and completeness of the group financial results to the auditors.

5.2. Internal

To facilitate the signing of the external attestation, numerous internal attestations to the Director, Finance, Infrastructure and Digital are required. This is attesting to the integrity and sufficient internal controls in place to ensure the integrity of each area's financial data. These include:

Area	Attestation	Attestation required by
Primary schools and Secondary schools under FSC	Accuracy and completeness of financial data	- Senior Manager, Finance Transactional Services - Group Payroll Manager
Secondary schools	Accuracy and completeness of financial data	- Principal - Business Managers or Director of Finance
MACS office and consolidation	Accuracy and completeness of office's financial data and group consolidated reporting	- Financial Accounting and Reporting Manager - Financial Controller
Group	Accurate and compliant group consolidated reporting	- General Manager, Group Finance - Chief Financial Officer

Back to Top

Chapter 16

Financial Records

This procedure provides guidance on implementing of financial record-keeping processes to ensure that information and records are retained and disposed of in accordance with the required standards. This applies to all financial records, hardcopy and digital, already created and to those yet to be created.

Key Guidelines

- The MACS office and all MACS schools must keep written 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 school and office senior leaders for ensuring compliance by their staff.
- All financial records are retained in a secure but accessible location for a minimum of seven years, unless otherwise stated.
- Records (whether they are in digital or hardcopy format) must not be destroyed before the minimum retention period has finished and must be in a manner which is legal, timely, authorised, secure, irreversible, documented, safe and environmentally friendly.
- Adhere to applicable MACS policies on information and record management including MACS office Information and Records Management Policy.

1. Obligation to keep financial records

1.1. A financial record is something that:

1.1.1. is in English

1.1.2. contains enough information for regulators to determine the essential features or purpose of the transaction

1.1.3. correctly records and explains how the MACS office or MACS schools spends or receives its money or other assets (transactions)

1.1.4. correctly records and explains the MACS office or MACS schools financial position and performance, and

1.1.5. allows for true and fair financial statements to be prepared and audited.

1.2. The types of financial records that must be retained include:

Type	Description
Accounting	For collecting, recording, classifying, summarising and analysing information on financial transactions to provide the financial position of MACS group or the school. Examples include: • general account books – including general journal and general and subsidiary ledgers • cash book records – including receipts and payments • banking records – including bank and credit card statements, deposit books, cheque butts and bank reconciliations • creditors' records – including creditors ledger, invoices and paid bills • debtors' records – including debtors ledger, invoices and receipts • details of any contracts signed by MACS office and MACS schools • details of any grant receipts, payments and acquittals • tax invoices and other relevant tax records

Type	Description
	• stock records – such as inventories in school uniform shops • records of expenses, with or without invoices – such as VCEA levies • records of payments relating to employees – including payroll related calculations, ‘pay as you go’ (PAYG) withholding, superannuation and fringe benefits provided • assets register • emails, letters and other communication used as a supporting documentation – such as an email about repaying unspent grant funds.
Authorisation	For authorisation or permission to perform certain actions.
Budgeting	For the management of income and expenditure over a specified period.
Funds management	For the management of funds, including investments and loans.
Grant funding and sponsorships	For the management and compliance of receiving grant funding or sponsorships.
Operational	For demonstrating compliance with the ACNC Act, the ACNC Regulations, and tax law, and the ongoing requirements to remain registered as a charity.
Registration	For the process of becoming registered to perform a function or activity (e.g. tax file number, Australian business number).

2. Storage

2.1. Wherever possible and feasible, records should be kept in digital (electronic) form. Scanned images of hardcopy records are considered official MACS records, provided they are complete and of appropriate quality and accuracy.

2.2. Hard copy records include the records printed from a computer and other paper records, such as original receipts and letters received in the mail. If there is no other practical choice but to maintain hard copy records only, one or more of the following must be followed to allow the records to be located easily upon request:

2.2.1. Organise the paper records into files, boxes, folders or envelopes that allow the records to be found easily

2.2.2. Separate the different paper records into categories (bank statements, communication, bills, receipts)

2.2.3. Separate these records according to reporting period (i.e. by year from 1 January to 31 December)

2.3. Records (both digital and hardcopy) requiring long term preservation (i.e., long term temporary value records or records of permanent archival value) must be stored in a manner and conditions that ensure their ongoing integrity and accessibility.

3. Minimum retention period

General requirements

3.1. All financial records must be retained for a minimum of **seven years** after the transaction(s) covered by the records are completed, unless otherwise stated in this procedure.

3.2. Some financial records may be required to be retained for longer if any of the following circumstances apply:

3.2.1. they may be needed in evidence in a judicial proceeding, including any reasonably possible judicial proceeding

3.2.2. they must be retained pursuant to the *Evidence Act 2008 (Vic)*

3.2.3. there is a current disposal freeze or legal hold in relation to the records

3.2.4. there is any other law or policy requiring that the records be retained

Specific requirements

3.3. Fixed assets

3.3.1. For depreciating assets, the initial purchase records, disposal records and other associated documents are to be retained for as long as the asset remains on the Fixed Asset Register plus for another seven years after it is sold or otherwise disposed.

3.3.2. For low-value assets, such as those recognised as an expense through the profit or loss statement, the general requirements apply to the initial purchase records and other associated documents.

3.4. Loans

3.4.1. All records relating to borrowings for external parties (i.e. non-MACS entities) are to be retained for as long as the liability remains on the Trial Balance, and then **another seven years** after it has been terminated or repaid.

3.5. Taxation records

3.5.1. Records relating to tax transactions where the item has had an amended assessment with the ATO, the retention period must cover the period of review.

- For business activity statement (BAS), records must be kept for an additional four years starting from the day after the notice of assessment is issued by the ATO
- For fringe benefits tax (FBT), records must be retained in accordance with the ATO records keeping requirement.

4. Confidentiality and Security

4.1. MACS office and MACS schools should:

4.1.1. Use secure communication channels (e.g. encrypted emails, secure file transfer platforms etc) for sharing information.

4.1.2. Maintain confidentiality of all information and ensure secure handling of documentation.

4.1.3. Store physical records in locked cabinets or secure rooms with restricted access.

5. Disposal of financial records

5.1. Records (whether they are in digital or hardcopy format) must not be destroyed before the minimum retention period has finished and must be in a manner which is legal, timely, authorised, secure, irreversible, documented, safe and environmentally friendly.

5.2. Prior to the disposal of a financial record, the following due diligence checks must be undertaken:

5.2.1. confirmation that the record is no longer required for an additional period of time for any other purpose

5.2.2. disposal has been approved in writing by the following appropriate authorisers:

Owner of record	Written endorsement required from
School	Principal
MACS offices	The relevant MACS office business owner of the records prior to authorisation being obtained from the Executive Director or their approved delegate

5.2.3. the method of destruction should ensure complete and secure disposal appropriate for the sensitivity of the record

5.2.4. all physical and electronic copies of the record are destroyed

5.2.5. disposal of the record has been documented in a register of disposal where feasible.

All MACS staff (office or school based) are lawfully permitted to use the Normal Administrative Practice (NAP) concept to delete or destroy certain low-value, duplicated, or short-term information once there is no longer a use for the information, and where there is a low level of risk. Individual staff and contractors are responsible for the decisions they make about what low-value information can be destroyed using NAP and when it can be destroyed.

Back to Top

Chapter 17

Taxation

This procedure sets out key guidelines and processes for managing tax-related matters across all financial transactions. It aims to ensure efficient, consistent treatment of tax obligations, accurate financial reporting and full compliance with the Australian Taxation Office (ATO) requirements and the State Revenue Office (SRO), in accordance with relevant provisions of Australian taxation legislation and State Government of Victoria regulations.

Key Guidelines

- 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 legislation 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 Withholding (PAYG), no ABN withholding rate of 47% (where a supplier does not provide an ABN), Payroll Tax (where applicable) and Land Tax
- Finance staff responsible for taxation management, along with relevant stakeholders, must maintain accurate and complete records to ensure tax compliance and audit readiness.

Key Reporting and Responsibilities

Taxation Type	Reporting Method	Team Responsible (as defined in Key RACI Matrix section)	When
Federal Tax: administered by the Australian Taxation Office (ATO) and governed by Australian Taxation Law			
Goods and Services Tax (GST): 10**% tax on most goods and services. Businesses with a turnover of $75,000 or more must register for GST.**	ATO Portal Monthly	Taxation Team	**21st day** of each month
Fringe Benefits Tax (FBT): A tax paid by employers on certain non-salary benefits provided to employees or their associates. Employers must self-assess and lodge an annual FBT return.	Lodgement with ATO for the Annual period 1 April to 31 March	Taxation Team	**21st day of May** each year
Pay As You Go (PAYG) Withholding: **Employers must withhold tax from employee wages and remit it to the ATO. This ensures employees meet their income tax obligations.**	Single Touch Payroll (STP2) via interface between MACS Payroll System and the ATO	Payroll Team	**Fortnightly** payroll date
Pay as you go Withholding (PAYG) – Suppliers not quoting an ABN	Annual return	Payroll Team	**31st day of October** each year
	Supplier Invoice	Accounts Payable Team	On Payment or invoice

State Tax
Payroll Tax (*): MACS Office and MACS Schools are classified as an **Exempt Organisations**.
Land Tax Land tax is not applicable to most sites occupied by MACS and MACS Schools being used for Educational purposes – see Land Tax Section for more information

(*): Payroll tax is payable by most employers in Victoria where the Annual payroll is greater than $1,000,000 per annum unless you are an Exempt Organisation. It is managed by the State Revenue Office – Victoria (SRO).

Key RACI Matrix

Team	Responsibility
The Taxation Team: • Tax teams under Financial Shared Services for ICON schools using Shared Services, • Local finance teams for non-ICON and non-Shared Services schools, or • Group Finance for Office.	Monitoring changes to relevant taxation laws and regulations.
	Communicating updates and implications to affected stakeholders.
	Providing training and guidance to staff to ensure ongoing compliance
	Reporting as shown below
The Payroll Team: • Payroll teams under Financial Shared Services for ICON schools using Shared Services, or • Local finance teams for non-ICON and non-Shared Services schools.	Employee setup to ensure that the correct PAYG amount is withheld.
	Working Holiday Maker Registration as applicable to an entity
	Reporting as shown below
	Authorised Payroll personnel are registered with Provider Digital Access (PRODA) to access Services Australia and receive statements for Paid Government Parental Leave
Group Finance are responsible for:	Providing access to the ATO Portal for authorized personnel in the Payroll and Taxation teams in Group Finance and Financial Shared Services
	Registration of new entities
School Business or Finance manager in non-ICON schools are responsible for:	Providing access to the ATO Portal for authorized personnel in their Payroll and Taxation teams

ATO Registration Details

MACS Ltd is the legal entity that owns and operates the schools as associated non-profit sub-entities. Schools are individually registered for GST and hold separate ABNs. While schools are not separate legal entities, they operate as sub-entities of MACS Ltd for GST purposes. Effective 1 July 2025, the MACS office and schools are grouped for GST purposes under the ATO's GST grouping provisions. A summary of MACS' registration details is outlined below.

Registration	Details
Entity Name	Melbourne Archdiocese Catholic Schools Ltd
ABN	18 643 442 371
GST Status	Registered
GST Group	MACS office and schools are GST grouped with MACS Chief Financial Officer nominated as GST group representative (Public Officer) for the Associated Non-Profit Sub-Entities (schools)
ACNC	Registered as a charity with Australian Charities and Not-for-profits Commission (ACNC)
Catholic GST Religious Group	Member
ASIC	643 442 371 Australian Securities and Investments Commission (ASIC)
Charity Tax Concession Status	MACS is a charity endorsed to access the following concessions: • GST Concession • Income Tax Exemption • FBT Rebate
Payroll Tax	Exempt
DGR Endorsement	MACS is endorsed by the ATO as a Deductible gift recipient (DGR) entitled to receive income tax deductible gifts and tax-deductible contributions. The list of funds it operates can be found at DGR Fund Institutions

Federal - Commonwealth of Australia Taxation

Goods and Services Tax (GST)

MACS accounts for GST using the accrual method (non-cash basis). Under this method, GST is reported in Business Activity Statement (BAS) based on when the invoices are issued or received, rather than when the payment occurs. The BAS is lodged monthly through the ATO Online Services for Business. To ensure timely and compliant submission of GST and FBT obligations:

- BAS must be lodged electronically with the ATO by the 21st of the following month
- Financial Shared Services Team must complete redistribution of GST refunds to schools and recovery of GST payments by Week 3 of the following month
- Further information can be found at Appendix 16: GST Fundamentals

1. Summary by GST codes

Common types of GST transactions are provided in below table along with the applicable GST codes that should be used when processing transactions. For more information, refer to When to charge GST and Claiming GST credits.

1.1. Key Income Transactions

GST code	Type of GST Supply	Description	GST Rate
G1	Taxable	• Commission received • Sale of textbooks • Sale of uniforms • Sale of laptop or calculator within school fees • Sale of stationery packs • Sale of school canteen items like hot meals, drinks, packaged snacks (unless GST-free food items) • Sublet of musical instruments by the school where the instruments are used for music that is not part of the curriculum (e.g. music lessons by a private music tutor). • Sale of school magazine (unless for nominal consideration, that is, for <50% of market value or <75% cost of supply) • Excursion fees that are predominantly recreational (e.g. theme park tickets) • Charges levied for food component of school camps • Rental income from school facilities including halls and libraries when hired out of hours by outside organisations • Rental and catering income from hire of Catholic Leadership Centre by external organisations • Sponsorship income • Sale of Assets (e.g., motor vehicles including trade-ins, laptops) • Sale of Property (Land & Building)	10%
G4	GST-free	• Tuition fees • Sale of course/curriculum materials by the school • Sublet of curriculum related items by the school, for example, textbook and musical instrument hire • Building/capital levies, maintenance levies and computer levies • Charges for excursions that are part of the curriculum and not predominantly recreational (but not food charges) • Supplies made for nominal consideration, that is, for <50% of market value or <75% cost of supply • Subject levies (provided for course materials and other CST free items)	0%
G4	Input taxed	• Supplies made (income) from the canteen where the school has elected to treat sales of food and beverages from the canteen as input taxed • Interest received (from financial institutions other than CDF) • Income from residential properties owned by the school (where these are not GST free, that is, rented for <75% market value)	0%

NoRpt	Not subject to GST	• Receipts from other members of the Catholic GST Religious Group (e.g., MACS, other Catholic schools or parishes). These include:
		  ○ Grants from VCEA
		  ○ Assistance or reimbursements from MACS Office
		  ○ Interest received from CDF
		  ○ Donations received by MACS
		• Collections on behalf of others, where the school is acting as an agent (e.g., missions, school photographs, book clubs)
		• Internal transactions e.g. Workcover claim payout transfers from MACS office to schools, Internal lease of MACS portable classrooms to schools
			0%

1.2. Key Expense Transactions

GST code	Type of GST Supply	Description	GST Rate
G11	Taxable (Purchases where MACS have paid GST that you are able to claim back)	• Stationery and office supplies • Teaching supplies • Classroom requisites • Expenses incurred in running school excursions • Teacher professional development costs • Utility bills • Cleaning • Costs to run the school bus • Staff reimbursements (where GST was included in the purchase price)	10%
G14	GST Free	• Certain medical supplies • Some food, for example, tea, coffee and milk for the staff room • Hire of curriculum related items by the school, for example, textbook and musical instrument hire • Charges for excursions that are part of the curriculum and not predominantly recreational (but not food charges)	0%
G14	Input Taxed	• Interest paid on loans (other than to CDF) • Bank fees and charges (other than from CDF)	0%

NoRpt	Not subject to GST	• Payments made by sub entities, for example, purchases made by a uniform shop, bookshop or canteen that the school has elected to treat as sub entity which is not required to be registered for GST purposes.
		• Interest paid to CDF
		• Donations made to community organisations
		• Payments made to unregistered suppliers
		• Payments made to third parties, where the school is acting as an agent for example, for example missions, school photographs, book clubs
		• Payments for goods and services outside the scope of the GST legislation
		  ○ Payments of salary, wages, allowances, superannuation and PAYG withholding
		  ○ Internal transactions
		  ○ Transactions between members of the Catholic GST Religious Group
			0%

NoRpt	Unclaimable GST	• Prohibitions: There are instances where GST cannot be claimed back, including:
		  ○ When incurred more than four years ago
		  ○ Private use items included in business use supply must be excluded	

1.3. GST Concession:

GST concessions are available to Not-for-Profit (NFP) organisations registered with the Australian Charities and Not-for-profits Commission (ACNC) and can apply to relevant income and expense transactions, depending on the type of activity. These concessions reduce compliance costs or exempt certain activities from GST and can only be accessed if the relevant eligibility conditions are met and endorsed by the ATO. MACS is a charitable institution endorsed by the ATO to access these relevant GST concessions. Detailed information can be found at Appendix 17: GST Concessions.

2. Summary of GST Treatment by Income Streams

The GST treatment for key income streams vary depending on the nature of the supply. In general, GST applies to taxable supplies, while certain income may be GST-free or input-taxed. The specific treatment for each income stream is outlined in below table.

GST Specific Topics	Explanation	Examples	Subject to GST
Grants and Sponsorship The terms of the sponsorship agreements will normally indicate whether GST applies or not	Where the grants require the recipient to provide something in return and there is an obligatory result or mandatory report to be submitted to the fund provider	Australian and Victorian State government grants to VCEA	Yes
	Where sponsorship is provided and the provider receives a benefit	Sponsor with logo display for advertising	Yes
	Where grants are freely provided with no expectation of any form of return or requirement to the funding provider	Equivalent to a donation	No
	Further information on grants and sponsorship is detailed at Grants and Sponsorship		
Education Courses	Tuitions fees for school education, and related course materials are GST-free	• Enrolment Fee • School Bldg Levy • Science fairs • Library fees	No
	Activities that are mainly recreational in nature and sale of goods that are not course materials	• Field trip to watch AFL • School Uniforms	Yes
	Eligible purchases to make above supply directly related to the curriculum	Bus hire for excursions	Entitled to Input tax credit
	Further information is detailed at GST-free for Education Courses		
Reimbursements and Cost recoveries When charging another party for reimbursement of expenses, GST depends on the underlying transaction	If the original transaction was taxable, and the school or office is re-supplying that service	• Schools charging parents for stationery packs • Catering package at venue hire (e.g. CLC)	Yes
	If simply recovering costs for acting on behalf capacity	• School recovering excursion costs GST-free being directly on-charged from third party provider • Book Clubs	No
Insurance settlements	The settlement compensates for a loss and is not treated as a taxable supply	Claim for flood damage	No
	Further information is detailed at Insurance Settlements		
Fundraising Events	Sales from fundraising activities are GST-free if they meet **all** the following ATO criteria as an input-taxed fundraising event detailed at Fundraising Events, key test is: • Non-profit activity • One-off or occasional event	• Movie Night • Bake Sale • Christmas Gift appeal • Caritas Australia Project Compassion	No

GST Specific Topics	Explanation	Examples	Subject to GST
	Sales from fundraising activities that do not meet above ATO criteria, ongoing and commercial in nature	• Daily Coffee Stall open to public	Yes
	Entitled to claim GST credits for any eligible fundraising event-related purchases	• Table hire • Ticket printing	Entitled to Input tax credit

3. GST Reconciliation and BAS Preparation

Prior to completing the Business Activity Statement, ensure accurate reporting and reconciliation of GST in compliance with regulatory requirements. Taxation Team should ensure no late lodgements or limit errors to avoid ATO-issued penalties and interest charges

The Taxation team must complete the following steps:

3.1. Generate the GST report from the accounting software for the relevant period

3.2. Verify that GST classifications are correctly applied and align with the nature of the transaction

3.3. Confirm that GST collected and GST paid match the general ledger balances

3.4. Reconcile and investigate variances between GST report and the general ledger. Make necessary corrections in accounting system if necessary

3.5. Prepare GST Calculation Worksheet using the Interactive GST Calculation Worksheet for BAS provided by ATO

3.6. Prepare BAS online using GST Calculation Worksheet Totals

3.7. Submit the BAS, worksheet and supporting documents for approval by the delegated Approver

3.8. Lodge the approved BAS and pay by **21st** of the following month electronically via the ATO Business Portal and confirm successful submission.

3.8.1. Retain lodgment receipt for records

3.8.2. Pay any amounts owed to the ATO by the due date

3.8.3. GST payments made to the ATO on behalf of the group will be recovered from schools through invoices issued by the Financial Shared Services Team by Week 3. These recoveries will not be processed via grant adjustments.

3.8.4. GST refunds received from the ATO will be deposited into the MACS office operating bank account. The Financial Shared Services Team will redistribute these funds to the respective MACS schools' bank accounts by Week 3, based on their entitlements

3.9. Any errors identified must be documented and corrected within the prescribed time in accordance with GST period of review Wherever possible, corrections should be included in the next BAS rather than amending a previously lodged BAS.

3.10. Taxation Team should ensure no late lodgments or limit errors to avoid ATO-issued penalties and interest charges. Where a legitimate delay is anticipated (e.g. year-end office closures, school holidays), an extension should be requested promptly. Further information is detailed at Failure to lodge on time penalty.

Fringe Benefits Tax (FBT)

Fringe Benefits Tax is a tax payable by employers on certain benefits provided to employees, their associates or through third parties in connection with employment.

1. FBT Year and FBT Instalments

The Fringe Benefits Tax year runs from **1 April to 31 March**.

MACS Office is required to pay FBT in quarterly instalments due on **21 July, 21 October, 21 January and 21 April** of the following FBT year. These instalments, at ATO pre-determined amount, are reported in BAS quarterly and may result in a BAS payment or refund once reconciled with GST.

Schools are not required to pay by instalments if their prior year's assessed FBT liability is below **$3,000**.

Upon lodgment of the annual FBT return by **21 May**, the four instalments are offset against the total FBT liability. Any remaining amount is payable to be remitted with the return. If a refund is due, it will be paid to the nominated bank account after processing by ATO, usually within 50 business days for paper lodgments.

MACS is legally responsible for any FBT liability under taxation law, however for some benefits, the employee effectively bears the cost if applicable (e.g. when FBT is factored into the employee's total salary package)

2. Calculation of FBT

2.1. The calculation of Fringe Benefits is performed annually and managed by

- Group Finance for MACS Office
- the Financial Shared Services Tax Team for ICON schools and
- School-based finance team for non-ICON schools.

2.2. Software products such as Thomson Reuters ONESOURCE or similar products may assist with the calculation of FBT wholly or in conjunction with Microsoft Excel.

3. Major categories of Fringe Benefits payable by MACS are

3.1. Car Fringe Benefit

3.1.1. Pool cars – where private use is deemed, as outlined in Appendix 18: FBT Compliance Guideline – Pool Cars

3.1.2. Motor Vehicles are supplied as part of an Employee Contract

3.2. Salary Packaging

3.3. Recreational Entertainment

3.4. Property Fringe Benefits

3.5. Expense Payment Fringe Benefit

3.6. Meal Entertainment

The table below will assist schools in determining whether the provision of food or drink should be classified as meal entertainment for the purpose of FBT (the why and what being most critical):

Considerations	Not subject to FBT	Subject to FBT
WHY is the food or drink being provided?	Refreshment or sustenance and in accordance with the usual business of the school	Dinner or evening meal in a situation, where the function is for social purpose for employees to enjoy themselves.
WHAT food or drink is being provided?	Light meals, morning or afternoon teas. No alcohol. Catering for meetings and out of hours meals, board meetings and the provision of tea, coffee and/or staff room refreshments.	Elaborate meal (multiple courses) and/or alcohol is served.
WHEN is the food or drink being provided?	During work time, overtime or travelling for work.	Outside of work hours.

WHERE is the food or drink being provided?	Provided on school premises is more likely to be for work purposes.	If in an external function room, hotel, restaurant, café, coffee shop or consumed with other entertainment (less likely to have a work purpose).

The table below summarises the types of FBT benefits provided by MACS and outlines the FBT applicability, preferred calculation method, key details of each benefit and the party bearing the FBT cost. Detailed information is provided at type of Fringe Benefits.

Type of Benefit	Subject to FBT (Yes/No)	Minor Benefit Exemptions (Yes/No)	Calculation Method	Key Details	FBT borne by (MACS/ Employee)
Car Fringe Benefit	Yes	No	Statutory formula	Pool cars – where private use is deemed	MACS
				Motor Vehicles are supplied as part of an Employee Contract or total remuneration package	Employee
Salary Packaging				• MACS is endorsed by ATO as an FBT rebatable employer, allowing employees to access tax-effective salary packaging up to **$30,000** grossed-up cap (**$15,900** actual benefits) • Any FBT cost on benefits is borne by the employee and factored into their salary package • Salary package is administered by third party provider (e.g. SmartSalary), while MACS withholds and remits FBT on employee's behalf • Refer to Salary Packaging for further information	Employee
	Yes	No	Statutory formula	Common Benefits: • Novated Lease Vehicle lease between MACS, employee and finance provider. Running costs and lease payments may be salary packaged	
	Yes	No	Actual method	• Expense Payment Benefits ○ Mortgage and Rent Payments ○ Credit Card Repayments	
	No	No	Actual contribution amount	• Superannuation Voluntary additional super contributions made to the employee's nominated super fund	Employee (subject to Super tax)
	No	No	Actual method	• FBT-exempt benefits that are work-related ○ Professional Association fees ○ Work related equipment	N/A
Meal Entertainment	Yes	No	50/50 split method	• Food and drink provided to celebrate or enjoy, considered to have a social context • **50%** of all meal entertainment is subject to FBT • Common examples: ○ Christmas party ○ Work celebration dinner • Exclusions:	MACS

Type of Benefit	Subject to FBT (Yes/No)	Minor Benefit Exemptions (Yes/No)	Calculation Method	Key Details	FBT borne by (MACS/ Employee)
				○ Food and drink provided for refreshment or sustenance e.g. morning & afternoon teas	
Recreational Entertainment**	Yes	Yes	Actual method	• Amusement, sport or leisure-time pursuits • Common examples: ○ AFL tickets ○ Golf days ○ Sightseeing tours	MACS
Property Fringe Benefit	Yes	Yes	Actual method	• Gifts and other non-cash items such as real estate, shares • Common examples: ○ Gift vouchers ○ Farewell gifts	MACS
Expense Payment Fringe Benefit	Yes	Yes	Actual method	• Benefits where MACS reimburses the staff for the expenses they incur, or MACS pays a third party for the expense • Common examples: ○ Mobile phone expenses ○ Self-education expenses unless otherwise deductible in personal income tax return	MACS
Residual Fringe Benefit	Yes	Yes	Actual method	• Any benefit that doesn't fall into one of the specific types of fringe benefits • Common examples: ○ Use of MACS property	MACS
				○ Private use of motor vehicle that does not meet the ATO definition of a 'car' for FBT purposes (e.g. dual cab, ute)	Employee

(**) *Not applying to Minor Benefits rules (refer to Section 4)*

4. Minor Benefits

Where the benefit has a taxable value of less than **$300** (including GST), it is generally classed as a Minor Benefit and is exempt from FBT for MACS and its employees, provided it is also irregular and infrequent. Refer to [When the Exemption applies] for more information.

5. FBT Exemptions and Concessions

MACS Ltd is endorsed by ATO as a non-profit organisation eligible to access FBT concessions. This allows MACS to provide certain benefits to employees at reduced FBT liability or in some cases, FBT-free. MACS is encouraged to take advantage of these available FBT exemptions and concessions to maximise employee benefits and organisational efficiency, common examples are outlined below. Further information is detailed at Ways to Reduce FBT and FBT concessions for non-for-profits

- Providing benefits that are otherwise deductible for employees
- Requesting employees to contribute towards the cost of fringe benefits
- Providing cash bonus in lieu of benefits

- Work-related items exempt from FBT such as:
- Portable electronic devices e.g. mobile phones, laptops, iPads, portable printers
- Software, protective clothing and tools
- Minor benefits exemption
- Exempt emergency assistance benefits
- Retraining and reskilling exemption to redundant or soon to be made redundant employees
- Pool car private use is limited to minor, infrequent and irregular.
- FBT exemption for eligible electric cars
- Car parking fringe benefits

6. Reportable Fringe Benefits (RFBA)

6.1. Most Fringe Benefits are classed as personal Reportable Fringe Benefits Amounts if their total aggregated amount per person exceeds **$ 2000** in an FBT year. This may affect an employee's personal tax position, please refer to [Consequences of having a reportable fringe benefits amount | Australian Taxation Office].

6.2. FBT paid by MACS on Salary Packaging is offset by the FBT calculated amount included in the Employee's sacrifice. The net position for MACS should be neutral; however the full amount of the benefit is typically subject to RFBA reporting

6.3. There are strategies on how to reduce an employee's RFBA which can be reviewed in Section 9.

6.4. The value of the amount reported to the ATO is the Grossed-up value of the benefit and will be shown on employees' income statements through myGov. For example – in an FBT year a MACS employee may have received the following benefits.

Benefit	Taxable Value of the Benefit (actual amount paid by MACS)	Gross-up Value	% of Benefit determined to be private use	FBT Liability	Amount on employee's payment summary (RFBA)
Novated Lease (Salary Packaging)	$15,900	$30,000	100%	$7,473	$30,000
Rental Payment (Salary Packaging)	$5,000	$9,434	100%	$2,350	$9,434
Meal entertainment	$1,500	$3,120	100%	$777	$0
Mobile phone expenses	$6,000	$12,481	0%	$0	$0

6.5. The tax team must advise Payroll of the Annual Reportable Fringe Benefit amount per employee for inclusion in STP reporting prior to 14 July of each year. Where an employee ceases employment in April to June of the previous PAYG year but incurs a RFPA relating to the year – this is included in the current year STP reporting.

7. Gift and Entertainment Expense Records

It is recommended that:

7.1. MACS office, schools and MACSS maintain a record of expenditure on gifts, entertainment and meal entertainment together with associated FBT.

7.2. the Group Finance team (MACS Office) and school principals (for individual schools) are responsible for maintaining the registers. These registers must be submitted to the Financial Shared Services Taxation team annually to support the preparation of the school's FBT return at FBT year-end.

7.3. a sample gift, entertainment and meal entertainment register is detailed at Appendix 19 of this document.

8. Procedures for Reviewing and Assessing FBT

8.1. Determine the purpose and nature of the activity

8.2. Review the costs incurred by distinguishing between business and private/recreational expenses and assess whether there is any personal contribution from employees

Activity	Subject to FBT	Common Examples
Business-related	No	• Catholic Education Conference*** • Spiritual formation directly linked to role as Principal • Professional Development
Dual purpose (partly professional and partly private	Pro-rata	• Principal Network Overseas Pilgrimage • Networking with Catholic education leaders with social activities
Private or Recreational	Yes	• Leisure activities or sightseeing tours • Pilgrimage without an official school leadership responsibility • Holiday extensions before/after the official trip • Lavish and elaborate dinners, events with alcohol consumption

(***) *Conferences must be at least four hours in duration, be structured, and have a direct nexus to the attendees' employment duties.*

8.3. Identify other benefits with potential FBT exposure

8.4. Select the FBT formula that results in the lowest FBT payable

8.5. Perform and record calculations. Submit to the Financial Shared Services Tax Manager for review and approval.

8.6. Lodge the FBT return by **21 May**

8.7. For legitimate reasons, e.g. school holidays, promptly seek extension of time to lodge or pay with ATO before the due date

8.8. Any errors identified must be documented and corrected within the prescribed time and instructions in accordance with ATO's requirements. Refer to Correct (amend) an FBT return.

8.9. Maintain comprehensive records ensuring compliance and sufficient evidence to support decision in case of audit. Substantiation or supporting documents required include:

- Detailed Conference / Pilgrimage agenda/program
- Detailed daily itinerary, course or meeting agenda, travel diaries or other documents clearly highlighting business vs leisure time
- Invitation / approval from MACS Office
- Travel approval forms per Travel Policy
- Participant's role description to demonstrate relevance to their leadership duties
- Tax invoices or receipts for flights, accommodation, meals, registration fees
- A post-trip report or professional learning session delivered at school
- Employee declarations
- Logbooks
- Odometer records

9. Strategies to avoid or limit FBT Liability

- Link all activities clearly to business or school leadership responsibilities
- Ensure travel itineraries, including meeting agendas and minutes, are focused on official business and do not include leisure activities.
- Self-fund personal sightseeing, holiday extensions and other personal add-ons
- Choose modest accommodation and flights consistent with Travel Policy
- Avoid entertainment-style meals such as lavish and elaborate dinners, alcohol-heavy functions
- Plan to share learnings with staff after the trip
- Leverage minor benefits exemption: provide gifts valued at less than **$300** per person per occasion
- Review the need to request for participant's personal contributions particularly for high value entertainment, extended travel expenses and car fringe benefits
- Ensure expenses are recorded in the appropriate general ledger account to avoid duplicating FBT payment
- Apply the 'otherwise deductible' rule. In simple terms: if an employee would have been able to claim the expense as a deduction from their tax return had they paid it themselves, then it will not be considered a taxable fringe benefit when MACS pays it instead
- Use the 50/50 split method: allows to treat 50% of total meal entertainment subject to FBT, regardless of whether the expense was for employees, associates, or clients. This simplifies record-keeping and compliance efforts as well
- Limit private use of pool cars to minor, infrequent and irregular
- Take advantage of various exemptions and concessions to reduce FBT liability

For further details, refer to Section 5.11 of the ATO’s Fringe benefits tax – a guide for employers.

Pay as you Go Withholding (PAYG)

The ATO has a comprehensive site detailing aspects relating to PAYG Withholding for Employees. The main requirements for MACS Office and MACS Schools are summarised below:

Payment date

If the entity is a large withholder, (over **$ 1 million** withheld per year your date for payment depends upon the day withholding took place)

If you withhold an amount on	You must pay the withheld amount on:
Monday	the following Monday
Tuesday	the following Monday
Wednesday	second Thursday after that day
Thursday	the following Thursday
Friday	the following Thursday
Saturday	second Monday after that day
Sunday	second Monday after that day

If the entity is a medium withholder **$25,001 - $1 million** per year.

This is due Monthly on the date shown on the ATO Activity Statement.

Reporting of PAYG Withholding

Requirement	Action
How to report	PAYG is reported to the ATO via an interface with MACS and MACS Schools ERP Payroll software. This is referred to as Single Touch Payroll (STP) The current version is STP Phase 2.
When to report	Reporting is required on the day of the payroll payment to employees.
	The Annual STP submission is due by **14 July** of each year.

Changes in PAYG rates and conditions.

Requirement	Action
Changes in PAYG rates must be updated when Legislation has passed.	Proposed changes to Taxation rates are not applicable until passed by both houses of parliament, these can be backdated or retrospective, Under or overpayments due to retrospective changes will be resolved when the employee submits their personal tax return at the end of the financial year.
	MACS and MACS Schools EFP Payroll software providers must update tax scales, or provide loadable updates, to ensure MACS' compliance with changes in PAYG Withholding Tax legislation.

Employees access to review PAYG Withheld

Method and Timing	Action
Fortnightly	Employees can view the amount of PAYG withheld in their fortnightly pay slip or online through their personal MyGov account.
Year end	MACS is required to submit the annual payment summary to the ATO by **14 July** of each year.
	Employees can access this through their personal myGov account
	MACS does not issue physical payment summaries to employees.

Amount to Withhold

Requirement	Action	Action

<table>
<tr><td rowspan="8">MACS is required to deduct PAYG withholding from employees when processing the payroll, the amount of tax withheld is governed by the Federal Government.</td><td rowspan="2">On engagement, or in changes of circumstances, employees are required to provide their Tax file Number (TFN) within 28 days and, in some circumstances, a Withholding declaration.</td><td>This can be done online by the employee before commencement of employment in their personal myGov account and provide to MACS or</td></tr>
<tr><td>By completion of a Physical Tax File Number form</td></tr>
<tr><td rowspan="4">A withholding declaration is required for changes to their:</td><td>Tax Free Threshold</td></tr>
<tr><td>Residency Status</td></tr>
<tr><td>HELP or other student loan debt</td></tr>
<tr><td>The ability to claim an entitlement to a tax offset by having a reduced amount withheld.</td></tr>
<tr><td colspan="2">Where a TFN has not been supplied, PAYG must be withheld from any payment at the top rate of tax (plus the Medicare levy) unless they are under 18 years and will earn less than the tax-free threshold.</td></tr>
<tr><td colspan="2">Employees can request an additional PAYG amount to be withheld.</td></tr>
</table>

Payments to employees which are not subject to PAYG withholding.

Explanation	Examples of exempt income
Some Payroll payments paid to employees are not subject to PAYG withholding – examples are:	Cents per kilometre car expense payments under **5,000** business kilometres per annum at the approved ATO rate
	Expense reimbursement for Working with Children or Police checks.
	Travel Allowances up to the reasonable allowances amount – if paid as an allowance (Not applicable to expense reimbursements paid through Accounts Payable).
	The tax-free component of an employment termination payment (ETP)
	Genuine Redundancy Payments
	Payments for income earned prior but not paid before the death of an employee.

Payments to Suppliers not quoting an Australian Business Number (ABN)

The ATO has a comprehensive site detailing aspects relating to Withholding from Suppliers . A summary of the requirements for MACS Office and MACS Schools are detailed below

Requirement	Action
MACS is required to withhold PAYG at the top rate where a Supplier has not quoted an ABN while charging their Services. Exemptions can apply.	Payment Summaries must be completed and provided to the Supplier at the same time they are paid. The ATO form can be accessed using the following link. PAYG Payment Summary - Withholding where ABN not quoted form
	An annual payment summary must be completed for each supplier. The supplier receives a copy, and MACS retains a copy. This must be kept for five years.
	MACS must lodge a PAYG withholding where ABN not quoted – annual report by **31 October** of each year. The form can be ordered from the ATO by accessing the hyperlink on the PAYG withholding where ABN not quoted – annual report page.

State Government of Victoria

Payroll Tax

Payroll Tax is payable by most employers in Victoria where the Annual payroll is greater than **$1,000,000** per annum unless you are an Exempt Organisation. It is managed by the State Revenue Office, Victoria (SRO). MACS Office and MACS Schools are classified as an Exempt Organisations.

1. **School Exemption Status Based on Income Threshold**

   From 1 July 2004, some schools may be deemed non-exempt from State Payroll Tax if their income per student exceeds **$15,000** per year, excluding government grants.

   The Victorian Government determines exemption status using data from the Commonwealth Department of Education's Financial Questionnaire (FQ), which MACS is required to submit annually.

   Currently, the 2021 reporting period data is being used to assess whether a school is classified as Exempt or Non-Exempt. The next review of exemption status is scheduled to occur ahead of the 2029 school year.

2. **Payroll Tax Exemption Status**

   2.1. All MACS schools and the MACS Office are currently exempt from State Payroll Tax under the relevant provisions of the Payroll Tax Act.

   2.2. Labour hire agencies must not include Payroll Tax as part of the agency personal rate charged to MACS or the MACS Office. As it is impractical for MACS to complete an Exemption declaration for every agency person engaged, PTA-Form-03 - Employment agency contracts – Declaration by exempt client. MACS can complete one declaration for all agency personnel performing similar duties. The declaration must be completed annually. Refer to SRO Engagement of Labour Hire Agencies for details.

Land tax

Land tax is an annual tax administered by the SRO Victoria and applies to land owned as of 31 December each year. MACS Ltd, as a non-profit organisation, may be eligible for an exemption where land is used exclusively for charitable or educational purposes. Exemption application is reviewed annually where land use changes. Refer to Land Tax Basics for further information.

1. **Administration and Responsibilities**

The Roman Catholic Trusts Corporation (RCTC) for the Diocese of Melbourne holds legal title to all land held in trust with MACS as the beneficial owner. RCTC leads and manages all land transactions including land tax exemption applications and correspondence with SRO.

Team	Responsibilities
Planning and Infrastructure Team	• Acts as the main point of contact for MACS for all correspondence with RCTC including land tax exemption matters • Provides information and confirms current and intended use of each property to support exemption claims • Verifies that all RCTC listed properties are genuinely owned by MACS (not unrelated land) • Maintains land register for MACS including current use, proposed development and exemption status

Group Finance Team	Provides financial advice and support, including: • Reviews land tax exemptions, assessments and calculations • Ensures consistent accounting treatment for land tax expenses where exemptions are not granted or pending exemption decision • Reviews land tax liability invoice received from RCTC and approves payment

2. Land Tax Exemption Criteria

The following table outlines the eligibility criteria for land tax exemption under [Land Tax Act 2005], including example scenarios where exemption is applicable or not applicable.

Criteria	Exempt	Not Exempt
Owned and used exclusively for charitable, educational or religious purposes	School campus, classrooms and libraries used for education	Land leased to commercial tenants or non-school activities Investment properties
Actively used in providing services directly supporting operations	School playgrounds, car parks, chapels and administrative buildings Land temporarily unused may remain exempt if project is delayed but with documented plans to resume	Land unused indefinitely – however an application may be made to the Commissioner if for a period of over 2 years.
Vacant or idle land held with genuine and continuing intention to use for future educational purposes	Vacant land under active development e.g. construction commenced for new facilities Vacant land with active planning, supported by feasibility study, approved masterplan	Vacant or idle land held for sale Land with abandoned or cancelled development plans Land subject to environmental restrictions preventing school development e.g. biodiversity and habitat conservation matter

3. Partial Land Tax Exemption

Partial land tax exemption may apply to properties used for educational or charitable purposes. Eligibility is determined based on the proportion of the land used for exempt activities versus non-exempt use. Further information is detailed in Partial Exemption.

4. Land Tax Calculation

Land tax is calculated annually based on the total site value of all properties owned and managed by the RCTC, which represents the value of the land only and excludes value of any capital improvements. This same site value is also used by local council to calculate property rates.

The amount paid by MACS is a proportional amount and subject to change. It is based on the individual site value as a proportion of the total RCTC land liability.

Back to Top

Chapter 18

Financial Closure and Reporting

This procedure outlines the financial reporting and internal financial control requirements and responsibilities for MACS office and MACS schools.

Key Guidelines

- 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 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 MACS Office 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.

1. General Ledger and Subledger Close

1.1. Accounting period rules are as follows:

1.1.1. Periods 1–12 hold the standard operational transactions of schools and offices

1.1.2. Period 13 holds the year-end journals prepared by Financial Shared Services, school finance teams and relevant MACS office staff

1.1.3. Period 14 holds central adjustments performed by Group Finance to ensure compliance with the Australian Accounting Standards and adherence to the reporting requirements of the Australian Government Department of Education Financial Questionnaire (FQ)

1.1.4. Period 15 holds any external audit adjustments.

1.2. No posting into closed periods, in particular prior years, is permitted. Only under exceptional circumstances may a period be re-opened, and only where approval is granted by the General Manager, Group Finance.

1.3. The Financial Controller, Group Finance is responsible for creating and distributing the quarterly and year end reporting timetable before the end of the quarter. This includes the general ledger and subledger close due dates.

1.4. The general timelines for interim period close are below, except where extension is pre-approved by the Financial Controller, Group Finance:

Area	General ledger & subledger close*	Actioned by
Icon schools	**15** business days after the calendar month end*	eFin Solution team
Non-Icon schools	**10** business days after the calendar month end*	School level finance team

MACS office	**5** business days after the calendar month end	Group Finance

* Business days refer to Monday to Friday, excluding public holidays. Due to resource constraints during school holidays, particularly in Primary Schools, extensions to ledger closure deadlines may be considered.

1.5. The general timelines for financial year end period close will be determined and distributed by the Financial Controller, Group Finance in consultation with other finance teams and external audit team. The year end timeline must align with the FAC meeting and the board meeting timeline and ensure meeting ACNC and VCEA compliance reporting requirements.

2. Board Reporting

2.1. All MACS entities and their subsidiaries must comply with the due dates specified in the timetable. Quarterly results are the minimum consolidated reporting requirement to the MACS Board. Entities may elect to complete additional reporting for internal stand-alone purposes, such as monthly reporting, however this does not replace the requirement to complete quarterly Board reporting.

2.2. General Manager, Group Finance is accountable for the quarterly reporting pack, including Consolidated Statements of Financial Position, Profit and Loss and Cash flows. Financial Accounting & Reporting team is responsible for the consolidated financial data and templates, while the Financial Planning & Analysis (Schools) team is responsible for analysing the consolidated financial results and positions.

3. External Reporting

3.1. There are multiple external reporting requirements the MACS group and individual schools need to comply with each year. The due dates for these obligations are outlined in the table below:

Due Date	Reporting Requirement	Regulatory Body
30 June	Lodgment of Annual Consolidated Financial statement	ACNC
30 June	Lodgment of Annual Information Statement (AIS)	ACNC
At a date determined by the VCEA each year	Completion of Acquittals	VCEA
At a date determined by the VCEA each year	Completion of Financial Questionnaire (FQ) and Australian Curriculum, Assessment and Reporting Authority (ACARA)	Australian Government Department of Education (DoE)

3.2. General Manager, Group Finance is accountable for the preparation of the consolidated statutory financial statements for endorsement by the Chief Financial Officer and Director, Finance, Infrastructure and Digital. The Financial Accounting & Reporting team is responsible for preparing the consolidation of group results.

4. Acquittals

4.1. General recurrent grant acquittals

4.1.1. Schools receiving recurrent grant funding are required to maintain proper accounting records to ensure that grant funds are used for the specific purposes outlined in the Australian or State funding agreement.

4.1.2. A sample of schools are required to prepare an acquittal and submit it for audit.

4.1.3. These acquittals will be prepared and reviewed by Group Finance in conjunction with the Shared Service or School finance teams.

4.2. Targeted programs acquittals

4.2.1. Acquittals for specific grants, such as targeted programs like Mental Health in Primary Schools and Tutor Learning Initiative, may require an external auditor to perform separate agreed upon procedures each year under the funding agreement.

4.2.2. Acquittals will be coordinated centrally by Group Finance, with school level inputs provided by Financial Shared Services and Finance Business Partners where required.

4.2.3. Acquittals for capital grants are to be coordinated by Group Finance with school level and project specific information provided by Financial Shared Services and Finance Business Partners where required.

4.2.4. Where applicable, specific audit procedures will be determined jointly by MACS and the external auditor per the requirements of the specific funding agreement.

5. Annual Information Statement (AIS) to the Australian Charities and Not-for-profits Commission (ACNC)

5.1. MACS and its subsidiaries are registered with the ACNC with a financial year end date of 31st December.

5.2. MACS and its subsidiaries are registered with the ACNC as a reporting group. This means a single consolidated financial statement and AIS is required to be submitted each reporting year.

5.3. The MACS Executive Director is accountable for the group AIS submission to the ACNC. The Financial Accounting and Reporting Manager is responsible for obtaining authorisation from the Executive Director and submitting the AIS before the 30 June due date.

6. Annual Reporting to Victorian Catholic Education Authority (VCEA)

6.1. Australian Government Department of Education (DoE) Financial Questionnaire (FQ) Reporting

6.1.1. The VCEA is responsible for submitting the annual DoE FQ reporting on behalf of every Victorian Catholic Education entity no later than 6 months after the end of the financial reporting year.

6.1.2. Each entity, including MACS and its subsidiaries, are required to send all relevant FQ information to the VCEA. The FQ information is required to be completed in accordance with the Data Reporting Guide issued by the DoE and sent to the VCEA within the timeframe as specified by the VCEA.

6.1.3. MACS Group Finance is responsible for reviewing the audited financial results of schools and offices and preparing and sending the consolidated FQ submission to the VCEA in line with the VCEA timetable, determined by the VCEA.

6.2. Australian Curriculum, Assessment and Reporting Authority (ACARA) Reporting

6.2.1. The VCEA is responsible for completing the annual ACARA submission for every Victorian Catholic Education entity each year.

6.2.2. The VCEA will work with MACS Group Finance to completing the relevant ACARA adjustments and disclosure requirements. This includes appropriate allocation methodology of office income and expenditure across schools.

6.2.3. VCEA reviews, finalises and submits the data alongside the DoE FQ to the Department of Education by **30 June** of the financial year.

7. Annual Report to the School Community

7.1. An annual report for each MACS school must be published on the State Register by 30 April each year. VCEA coordinates the submission to the Victorian Registration & Qualifications Authority (VRQA) on behalf of MACS schools.

7.2. All schools are required to complete an Annual Report for the school year, except for:

7.2.1. New schools that were not in operation for the full school year, including those formed through a merger or de-merger, and

7.2.2. Schools that closed during the school year, including schools that formed part of merged or de-merged schools.

7.3. The annual report should include:

7.3.1. a description and analysis of student learning outcomes in statewide tests and examinations for the current year and the last 2 years

7.3.2. a description and analysis of student attendance rates for the year

7.3.3. a report of the school's financial activities

7.3.4. copies of any other reports the school needs to prepare for the school community under funding agreements with the state or Commonwealth governments.

For details of the requirements, please refer to Annual Report to the School Community policy of Victorian Department of Education.

Back to Top

Chapter 19

Operational and Capital Budgeting

This procedure outlines the principles, processes, and responsibilities for preparing, approving, and monitoring operational and capital budgets for the MACS office and schools. The goal is to ensure long-term financial sustainability, responsible resource allocation, and effective risk management.

Key Guidelines

- Alignment with Strategic Priorities: Budgets must support the long-term financial sustainability of the MACS office and each school, ensuring resources are used to achieve educational and operational goals.
- Realistic and Transparent Assumptions: All budgets should be based on realistic financial assumptions and supported by clear documentation outlining key justifications and analyses.
- Stakeholder Engagement: The budgeting process must include meaningful consultation with relevant stakeholders to ensure accuracy and alignment with operational needs.
- Regular Monitoring and Accountability: Budget performance must be monitored regularly, with timely analysis of variances and corrective actions taken as needed.

Roles and Responsibilities

Role	Responsibility
School Financial Planning & Analysis (FP&A)	Develops budget timelines, collects background data, develops budget templates, consolidates and reviews school budgets, communicates with stakeholders, and prepares final analysis for Executive Leadership Team (ELT) and Board.
General Manager, School Finance	Consults on budget timelines and assumptions.
Chief Financial Officer (CFO)	Approves budget assumptions and reviews key financial parameters.
Finance Business Partners / Business Managers	Prepare operational and capital budgets in consultation with school staff or Principal.
Regional General Managers	Review exceptions and request revisions as needed.
School Principals / Business Managers	Endorse completed budgets and monitor performance at the school level.
MACS Board	Approves consolidated budgets.

1. Budget Preparation Process

Office Operational Budget Preparation

1.1. Timeline and Milestones

Term	Milestone
Term 1	Develop and finalize the office budget timeline with key stakeholders.
Term 2	Obtain CFO's approval for office budget assumptions; communicate key dates and timelines to relevant office departments.
Term 3	Office departments prepare and submit their budgets.
Term 4	School FP&A consolidates, reviews, and analyses office budget data; prepares final office budget for ELT and Board meetings (Nov/Dec).

1.2. Assumptions

1.2.1. Developed in consultation with office leadership and approved by the CFO.

1.2.2. Include pay rate increases, funding sources, and economic indicators relevant to office operations.

1.3. Communication

School FP&A communicates approved timelines, background information, and assumptions to office budget holders via internal sessions and direct communications.

Office Capital Budget Preparation

1.4. Capital budget preparation includes identification of major projects, infrastructure needs, and technology investments.

1.5. Assumptions and approvals follow similar processes as operational budgets, with additional scrutiny on long-term impact and depreciation.

1.6. Key steps include:

- Identify capital needs and projects.
- Consult with infrastructure and technology teams.
- Develop cost estimates and timelines.
- Review funding sources and depreciation schedules.
- Submit proposals for CFO and Board approval.

School Budget Preparation

1.7. Timeline and Milestones

Term	Milestone
Term 1	Develop and finalise the school budget timeline with key stakeholders.
Term 2	Obtain CFO approval for school budget assumptions; communicate key dates and timelines to schools.
Term 3	Schools prepare and submit budgets before Term 3 holidays.
Term 4	School FP&A consolidates, reviews, and analyses school budget data; prepares final school budget for ELT and Board meetings (Nov/Dec).

1.8. Assumptions

1.8.1. Developed in consultation with School Finance and approved by the CFO.

1.8.2. Include pay rate increases (per CEMEA or People & Culture data), funding sources (government, programs, private income), and economic indicators (CPI, interest rates).

1.9. Communication

School FP&A communicates approved timelines, background information, and assumptions to schools via live/drop-in sessions and internal meetings.

2. Monitoring and Reporting

2.1. Relevant Finance Business Partners/Business Managers must monitor performance against approved budgets at least quarterly.

2.2. School FP&A is responsible for quarterly reporting, including analysis of key variances (income, expenses, net surplus/deficit, enrolments) at the consolidated level.

2.3. Reports are submitted to the Finance and Audit Committee.

2.4. Business Managers investigate significant variances, consider corrective actions, and report to the Principal.

2.5. Forecasting will be conducted on a regular basis, typically following the production of consolidated financial statements for Quarter 1 and Quarter 2. The exact timing and process will be confirmed by Group Finance.

3. Forecasting

Operational and capital forecasts are conducted as needed when significant changes occur (e.g., enrolments, funding, unexpected expenses). The School FP&A team, in consultation with School Finance, determines specific forecasting requirements.

4. Related Policies and References

- Chapter 3: Fixed Assets and Depreciation (for capital expenditure).
- Chapter 18: Financial Closure and Reporting (for quarterly reporting).
- Treasury Management Policy and Procedure (for cash flow forecasting).

5. Stakeholder Engagement and Feedback

Stakeholder consultation is embedded throughout the process. Feedback from schools and business partners is incorporated into final budget submissions. Mechanisms for ongoing feedback and improvement should be maintained.

Back to Top

Appendices

Ref.	Template/Document Name	Related Chapter
1.	Coding for Fee/Levy Exemptions, Rebates and Discounts	Accounts Receivable
2.	Debt Recovery Flowchart	Debtor Management and Recovery
3.	Fee Obligation Letter Templates	Debtor Management and Recovery
4.	Debtor notification email template	Debtor Management and Recovery
5.	Legal Proceedings Assessment Form	Debtor Management and Recovery
6.	Sample Asset Disposal Forms- MACS Office and MACS Schools	Fixed Assets and Depreciation
7.	Fixed Assets Stocktake Guidance	Fixed Assets and Depreciation
8.	Sample Stocktake Sheet (Sheet-to-Floor)	Fixed Assets and Depreciation
9.	Decision Tree - Lease Assets	Lease Assets and Liabilities
10.	School Trading Activity of School Controlled Parents and Friends	School Trading Activities and Other Private Income
11.	Sample Uniform Shop Stocktake Count Sheet	School Trading Activities and Other Private Income
12.	Fair Work Employee Record Retention	Payroll
13.	Fair Work Pay Slip Requirements	Payroll
14.	Claim for Travel Reimbursement for Use of Private Motor Vehicle	Payroll

Ref.	Template/Document Name	Related Chapter
15.	Comparison Summary between Physical Card vs. Virtual Card	Credit Card
16.	GST Fundamentals	Taxation
17.	GST Concessions	Taxation
18.	FBT Compliance Guideline – Pool Cars	Taxation
19.	Gifts & Entertainment and Meal Entertainment Expense Register	Taxation
20.	Principal Financial Handover Checklist	
21	Deductible Gift Recipients – Guidance Paper	

Back to Top

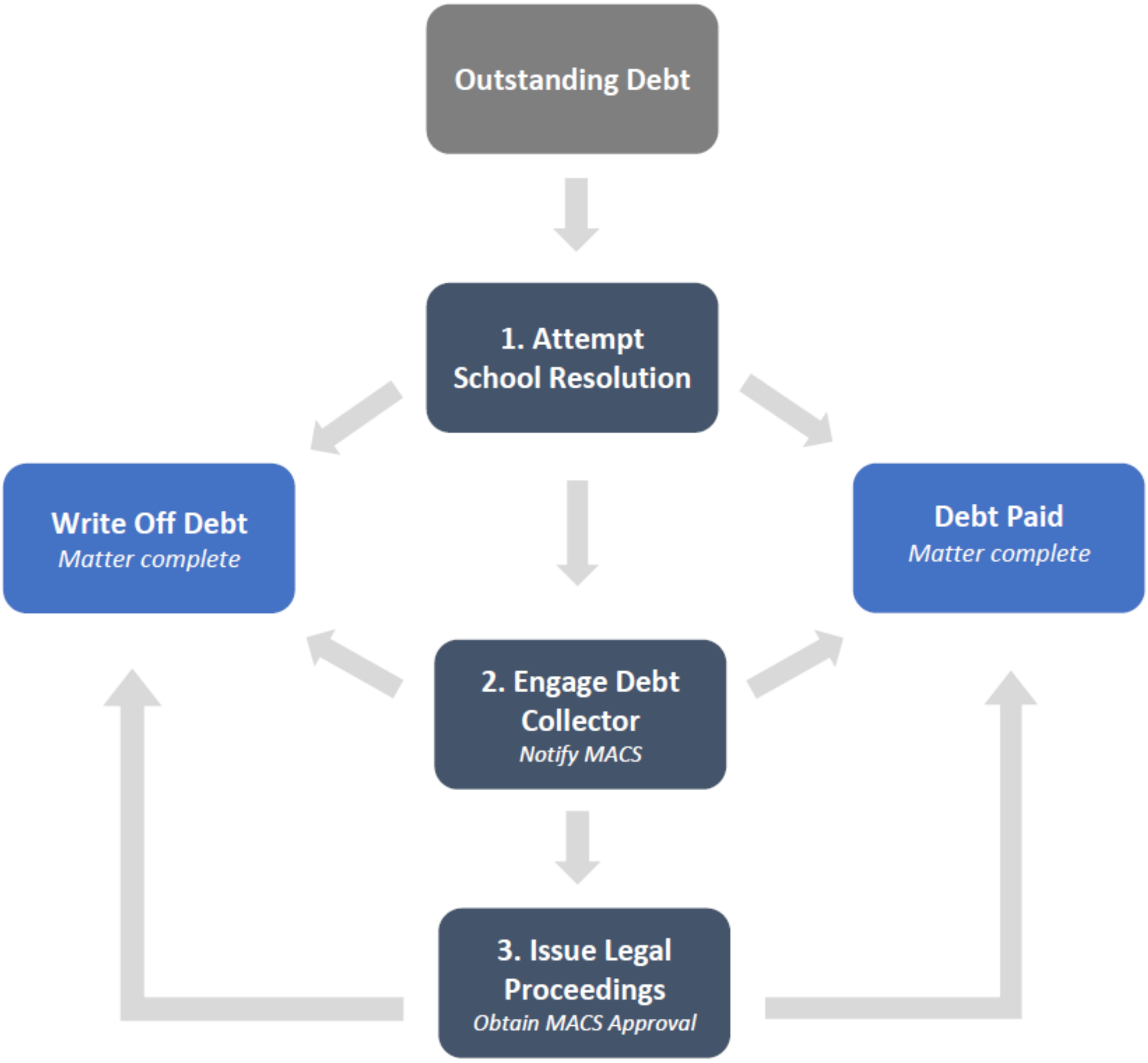
Appendix 1: Coding for Fee/Levy Exemptions, Rebates and Discounts

Reduction Type	Fees	Levies	Excursions	Capital
Exemptions Reduction of charges based on financial hardship grounds or family circumstances.	School Fee Exemptions ICON: 10022 AFS: 0132	Levies – Exemptions ICON: 11235 AFS: 0142	Excursions/trips – Exemptions ICON: 11618 AFS: 0152	Capital Fee Exemptions ICON: 16016 AFS: 0942
Rebates applicable when a student transfers in or out of a school during the year. The amount of rebate is calculated as Total ÷ 40 weeks × number of weeks the student is not enrolled.	School Fee Rebates ICON: 10021 AFS:0131	Levies – Rebates ICON: 11230 AFS: 0141	Excursions/trips – Rebates ICON: 11616 AFS: 0151	Capital Fee Rebates ICON: 16017 AFS: 0941
Discounts Reduction of charges that do not fall in the category of rebates, exemptions, CSEF and write off. Such as family discount.	School Fee Discounts ICON: 10015 AFS: 0130	Levies – Discounts ICON: 11245 AFS: 0140	Excursions/trips - Discounts ICON: 11619 AFS: 0150	Capital Fee Discounts ICON:16015 AFS: 0940
CSEF Related to the usage of the State Gov received amounts for eligible students.	School Fee CSEF (applicable if school fee includes a camp, sport or excursion component) ICON: 10023 AFS: 0133	School Levy CSEF Adjustment ICON: 11240 AFS: 0143	Excursions/trips – CSEF adjustments ICON: 11617 AFS: 0153	*N/A not eligible usage of CSEF.*

Back to Top

Appendix 2: Debt Recovery Flowchart

The recovery steps are reflected below in the following flowchart:



Back to Top

Appendix 3: Fee Obligation Letter Templates

Sample Letter 1

Dear [Parent/Guardian Name]

Our records show that your son's/daughter's/children's fees are currently overdue and that the amount of $X.XX is outstanding.

It would be greatly appreciated if you could attend to this matter by settling the account as soon as possible. Should your family be experiencing financial difficulties, please make an appointment with [staff member name] to discuss the situation.

A copy of the account is attached for your information and record.

It would be appreciated if we could receive your response within 14 days of the date of this letter.

If you have paid the account within the last few days, thank you, and please disregard this letter.

Yours sincerely

[Principal/Business Manager Name]

[Title]

Sample Letter 2

Dear [Parent/Guardian Name]

We refer to our earlier correspondence dated [date] regarding your account for outstanding school fees and note we have failed to receive your response. We advise that the account is well overdue and your early attention to this matter is required.

Fee concessions may be granted in cases of financial hardship or where other special circumstances exist. If this is the case, please contact [me/the Principal] to arrange an interview to discuss this matter.

It would be appreciated if you could attend to this matter by [date], following which the School may refer this matter to solicitors/debt collectors. If you have paid the account within the last few days, thank you, and please disregard this letter.

Yours sincerely

[Principal/Business Manager Name]

[Title]

Back to Top

Appendix 4: Debtor notification email template

Sample Email

Dear Legal Team

I am writing to bring to your attention the matter of outstanding school fees owed by [Debtor's Name]. Despite our best efforts at the school level to recover the debt, we have been unable to secure payment.

As a result, we are now notifying you that we will be proceeding with formal debt recovery through [Name of Debt Collection Agency]. Please find attached a copy of the Fee Obligation Letters for your reference. We shall seek MACS approval should we need to issue legal proceedings.

Kind regards

[Principal's Name]

Back to Top

Appendix 5: Legal Proceedings Assessment Form

DEBTOR CONTACT DETAILS (*add cells as required)			
Title:	**Surname:**	**Given name:**	
PURPOSE OF REQUEST			
Seeking approval to refer debtor for legal action		Yes ☐	No☐
If yes, please name the proposed Law Firm the school intends to engage			
STUDENTS (*add cells as required)			
Family	**Student name**	**Grade**	
Does the debtor have students enrolled at school?		Yes ☐	No ☐
If so, year of graduation/departure	Date:		
If not, when did the student leave the school	Date:		
ENROLMENT FORMS			
Evidence of Enrolment: Please include copies of enrolment forms for each student		Yes ☐	No ☐
DEBTOR PAYMENT INFORMATION			
Does the debtor meet the criteria for concessional fee requirements?	Yes	No	
Does the family have an existing payment arrangement?	Yes	No	
Date of last payment			
Current Outstanding Balance	$		

DEBTOR NOTIFICATION		
Has parent received Fee statements each Term	Yes ☐	No ☐
Evidence of Debtor Notification: ☐ First Follow Up Letter	☐ Second Follow Up Letter	☐ Other

* **Please attach copies of First and Second follow up letters and any documented phone calls including any correspondence between school and parent(s) in relation to outstanding debts.**
LEGAL ACTION (If seeking to pursue for legal action please include the following)
Evidence of Debt Collection: Please include copies of correspondence with debt collector in relation to the debtors' outstanding debt.
* **Please attach copies correspondence between school and debt collector(s) in relation to outstanding debts.**

COURT ORDERS OR PARENTING ORDERS *(if applicable)*		
Are there any current court orders or parenting orders relating to the student?	Yes☐	No ☐
If yes, copies of these court orders/parenting orders (e.g. AVOs, Family Court/Federal Magistrates Court orders or other relevant court orders) must be provided.		
ADDITIONAL COMMENTS *(meetings held with families, follow up attempts (including phone calls etc) any information that is relevant that is not already documented above)*		

Principal Name		
Principal signature:		Date:

CHECKLIST of supporting documentation to submit to MACS	
Please ensure that the following documents are attached ***(as applicable to your request)*****:**	
☐	Copy of enrolment form
☐	Copy of most recent family/debtor statement
☐	Copy of First follow up letter
☐	Copy of Second follow up letter
☐	Copy of any other correspondence between family and school
☐	Copy of correspondence between school and debt collector

Back to Top

Appendix 6(a): Sample Asset Disposal form – MACS Office

(Recommended best practice template)

Melbourne Archdiocese
Catholic Schools

Record No:

ASSET DISPOSAL FORM
GROUP FINANCE

TRADE-IN OF MOTOR VEHICLES, WRITE-OFF OF LOST, SCRAPPED, DAMAGED, OBSOLETE OR UNSERVICEABLE ASSETS

STAFF GROUP .... DATE: ....

Please complete appropriate section (if insufficient space, please attach a separate page).

1. **Trade-in** of motor vehicle:

REG. NO./ITEM DESC	TRADE-IN VALUE (INCL GST)

2. The following assets were found to be **missing** at the recent annual stocktake and all reasonable efforts have been made, without success, to locate them.

ITEM DESCRIPTION	LOCATION	ASSET NO.

3. The following asset was reported **lost/stolen** by ---
Staff Name/Staff Group
on ----------------------- **(attached Loss Declaration/Police Report)**
DD/MM/YY

ITEM DESCRIPTION	LOCATION	ASSET NO.

4. The **unserviceable assets** listed below were found to be beyond economical repair:

ITEM DESCRIPTION	LOCATION	ASSET NO.

5. The assets listed below have been **offered to school or staff**:

ITEM DESCRIPTION	SCHOOL/STAFF	ASSET NO.	COST IF APPLICABLE

Your approval to remove these assets from the asset register is requested.

-------------------------------- -- ----------------------
NAME SIGNATURE DATE
MANAGER OR MANAGER
IT SERVICES INFRASTRUCTURE & CAPITAL FUNDING

APPROVED: ....
GROUP FINANCE GENERAL MANAGER (Value ≤ $200,000)

DATE: ....

For Finance use only
Assets identified above have been removed from asset register.

NAME... DATE ....

Last Updated: 4 Sep 2024

Appendix 6(b): Sample Asset Disposal form -MACS Schools

(Recommended best practice template)

WRITE OFF OF LOST, SCRAPPED, DAMAGED, OBSOLETE, DEFICIENT OR UNSERVICEABLE ASSETS

SCHOOL ____

PERIOD FROM _______________ TO _______________

The following school assets were found to be missing at the annual stocktake of <date>. All reasonable efforts have been made, without success, to locate them.

ASSET NUMBER	ITEM DESCRIPTION	LOCATION	COST or REPLACEMENT VALUE	SALE PRICE (if sold to third parties)

In addition, the unserviceable assets listed below were found to be beyond economical repair:

ASSET NUMBER	ITEM DESCRIPTION	LOCATION	COST or REPLACEMENT VALUE	SALE PRICE (if sold to third parties)

Your approval to write these assets off and remove them from the asset register is requested.

ENDORSED: _______________ MACS Business Manager/<Name>	DATE: _______________
APPROVED: _______________ Principal/<Name>	DATE: _______________

Note: This approval is to be retained on file for accounting purposes and perusal by auditors and other authorised organisations.

Back to Top

Appendix 7: Fixed Assets Stocktake Guidance

Purpose:

To ensure the accuracy of the Fixed Asset Register (FAR) by conducting a stocktake of all fixed assets within MACS Office and MACS schools.

Scope:

This instruction applies to MACS Office, Primary Schools, Secondary Schools and Special Assistance Schools. All fixed assets must be included in the stocktake.

Frequency:

Minimum every three years.

Responsibilities:

The teams listed below are responsible to coordinate the stocktake process and select staff members to conduct the physical stocktake, forming a stocktake team.

Office/Schools	Responsible team (as assigned prior to the stocktake process)
Primary Schools	Designated resource within Financial Shared Services or an approved external provider
Secondary Schools	Business Managers or an approved external provider
MACS Office	Designated resource within Financial Shared Services team or an approved external provider

Procedure:

1. **Planning the Stocktake:**
   1.1. Buildings and building improvements: the stocktake team leverages the existing processes maintained by the Office Planning & Infrastructure team, including asset condition reports and maintenance planning, to validate asset existence and condition.
   1.2. Equipment and furniture which are determined by Group Finance to require a stocktake will follow the below process:
      1.2.1. The responsible staff is required to set the stocktake date(s), allowing adequate time for preparation and completion. Relevant staff members should be informed of the upcoming stocktake and their cooperation requested.
      1.2.2. Stocktakes should take a two-pronged approach:
   - Sheet-to-Floor: A separate staff member has a stocktake sheet pre-filled with the items from the FAR and searches for these in the area. This checks the accuracy of the FAR.
   - Floor-to-Sheet: In a separate section of the sheet, staff record any additional items that are physically present but not listed in the FAR. This ensures the completeness of the FAR.
2. **Conducting the Stocktake of Furniture and Equipment:**
   2.1. Provide the stocktake team with a single stocktake sheet, which includes two sections:
   - Section A: Sheet-to-Floor – pre-filled with assets from the Fixed Asset Register (FAR) for verification; and
   - Section B: Floor-to-Sheet – left blank for recording any additional assets found that are not listed in the FAR.

   2.2. The stocktake team must visit each area within the office or school to:
   - Physically verify and tick off listed assets (Sheet-to-Floor); and

- Identify and record any unlisted items (Floor-to-Sheet).

2.3. For each asset, record its condition and location, and note any discrepancies such as missing, relocated, or damaged items.

2.4. Ensure all assets are properly tagged with a unique identification number. Replace any missing or damaged tags during the stocktake.

3. Reconciliation, Reporting and Corrective Action:

3.1. Reconcile the physical count with the FAR.

3.2. Investigate and document any discrepancies, such as missing items or differences in asset conditions.

3.3. Update the FAR to reflect the results of the stocktake, incorporating the actions outlined in the table below.

Issues Identified	Actions Required
Missing assets identified during the stocktake (Sheet-to-Floor)	Investigate and, if confirmed missing, process a write-off in the FAR
Assets in an unusable or obsolete condition requiring disposal	Assess whether continued use is appropriate; consider write-off or replacement plan
Damaged assets identified	Assess and arrange repair where appropriate
Assets identified but not recorded in the FAR (Floor-to-Sheet)	Add the assets to the FAR with appropriate details and assign asset tags
Asset details in FAR (e.g., description or location) do not match actual	Update the FAR to reflect correct description, location, or other key information
Duplicate asset records in the FAR	Review and consolidate or remove duplicate entries in the FAR
Unclear or missing asset tags	Re-tag the asset and update the FAR with correct tag information
Uncapitalised assets that meet the threshold (with the assistance from the relevant Finance Business Partners)	Review and capitalise the asset in the FAR, and adjusting historical records as needed

3.4. Submit the stocktake report to the School Principal/General Manager, Group Finance for review and approval.

Appendix 8: Sample Stocktake Sheet

(used when it's determined that equipment stocktake is required)

Section A: Sheet-to-Floor – Verification of Existing Assets

Asset ID	Description	Location	Condition (Good/Fair/Poor)	Found (Yes/No)	Notes/Discrepancies
1	Audio-visual equipment	Office 1	Good	Yes	
2	Stage lighting and sound systems	Room A1	Fair	Yes	Requires new bulb
3	Networking equipment (servers, routers, cabling)	Office 2	NA	No	Not located
4	Fixed seating in auditoriums	Room B2	Good	Yes	
5	Alarm 1 -Security systems (CCTV, alarms)	Room C3	Fair	Yes	Slight damaged
6	Alarm 2 -Security systems (CCTV, alarms)	Room A1	NA	No	Not located
7	Central Monitor System - Security systems (CCTV, alarms)	Room A1	Good	Yes	
…	…	…	…	…	…

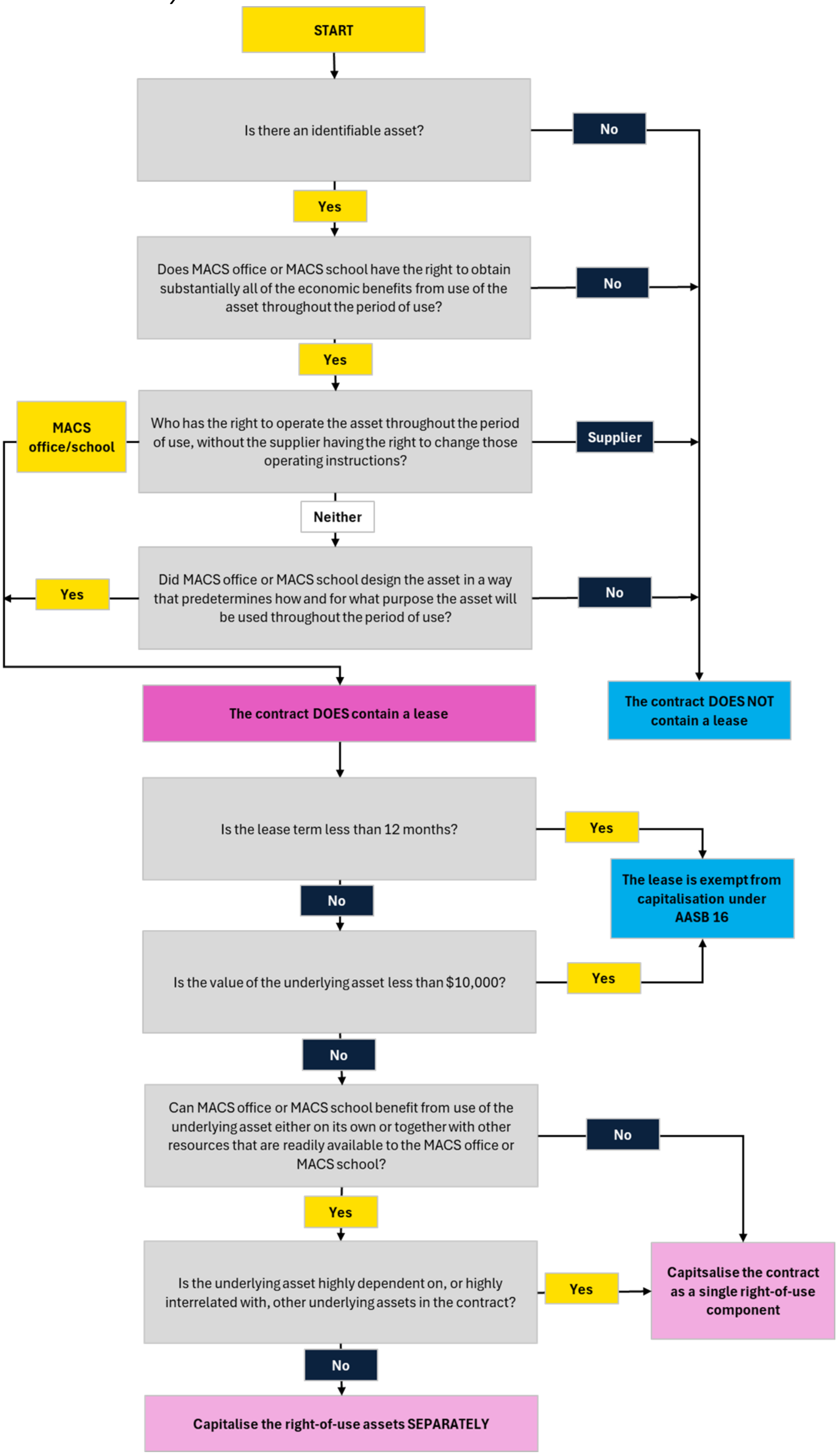
Section B: Floor-to-Sheet – Recording Additional Items Found

Asset Description	Location	Condition (Good/Fair/Poor)	Serial Number (if any)	Comments	Suggested actions

Back to Top

Appendix 9: AASB 16 Lease Decision Tree

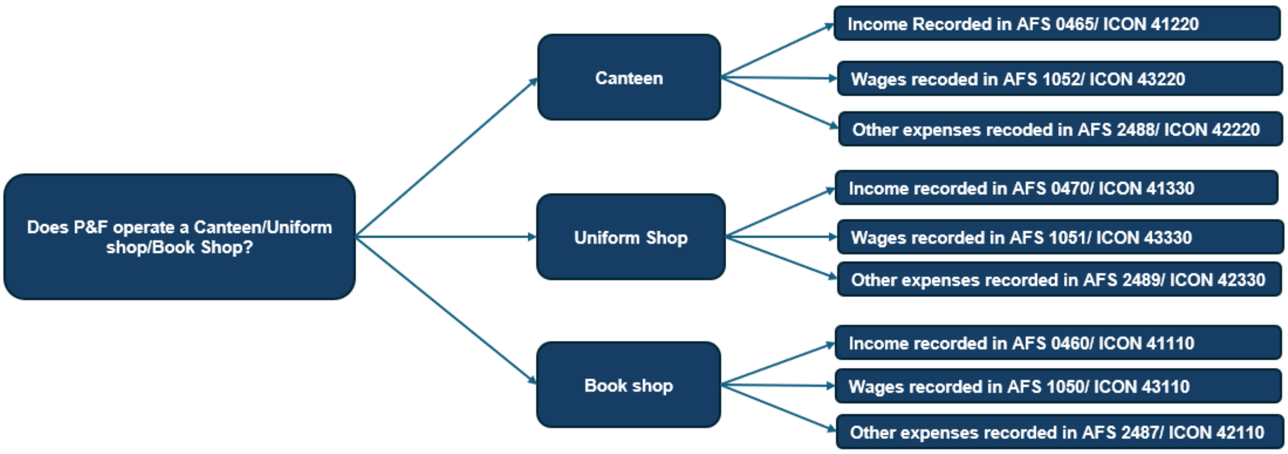
For Group Finance use only



Back to Top

Appendix 10: School Trading Activity of School Controlled Parents and Friends

(regardless of whether a separate Parents and Friends bank account is held)



Back to Top

Appendix 11: Sample Uniform Shop Stocktake Count Sheet

Item Code	Item Description	Size	No. of Items On Hand	Counted Quantity	Variance	Comments
001	School Bags	1 Size	40			
002	School T shirts	S	20			
003		M	21			
004		L	18			

Back to Top

Appendix 12: Fair Work Employee Record Retention

The regulations of the *Fair Work Act 2009* require all employers to maintain certain employee records. These records should be:

- Unaltered unless for the purpose of correcting an error
- readily accessible to an inspector
- kept by employers for at least seven years from the termination of the employee's employment.

Record Type	Employee Record details required
General	• the name of the employer • the name of the employee • the name of any award and/or industrial agreement under which the employee has an entitlement • the employee's classification and the basis of the employee's employment such as full-time, part-time or casual, and permanent, fixed term or temporary • the date the employee commenced employment • the Australian Business Number of the employer
Overtime	• where overtime is payable under an Award, the total hours and start and finish times of any overtime worked
Renumeration	• the employee's rate of remuneration, including the fortnightly gross and net amounts and any approved deductions and allowances and loadings • the hours worked by an employee for casual or irregular part time employees guaranteed a rate of pay set by reference to a period of time worked
Leave	• leave taken or cash out • leave entitlements or leave accrued
Superannuation	• superannuation fund election form(s) including the name of the fund(s) and relevant arrangements including: • a record of any election regarding the fund to which contributions are to be made • the date of any relevant election • authority/declaration for the election • the amount of contributions • the period for which contributions were made • the date each contribution was made • employee superannuation contribution deduction form (where the employee makes additional superannuation contributions)
Termination	• the method of termination - by consent, by notice, summarily or in other specified manner • if notice was provided and, if so, how much • the name of the person who terminated the employment
Other	• employee income tax file number declaration form • approved written authorisation for all other payroll deductions

Back to Top

Appendix 13: Fair Work Pay Slip Requirements

The *Fair Work Act 2009* requires employers to issue pay slips in an electronic form or hard copy. The following content is to be included on each pay slip (*).

Pay slip information	Description
Employee's name	• employee's full legal name, as shown on their tax file declaration form
Employer's name	• school's full legal name
Payment period details	• the date(s) the pay slip relates to, for which the payment was made • the period to which the pay slip relates
If the employee is paid at an hourly rate of pay	• the ordinary hourly rate • the number of hours worked in that period at the ordinary rate • the number of hours paid at the ordinary rate
If the employee is paid at another hourly rate in addition to the ordinary hourly rate, (e.g., higher duties or overtime)	• the other rate(s) • the number of hours worked at the other rate(s)
If the employee is paid an annual salary	• the current annual salary • hourly rate and number of hours
Amount paid	• gross amount paid • net amount paid
Allowances and loadings	• any allowance or loading included in the net amount under the award or industrial agreement
Deductions	• the amount and purpose of any deduction • the name and/or number of the fund or account into which the deduction was paid
Superannuation	• the amount of each superannuation contribution made or liable to be made during that pay period • the name and reference number of the fund to which it was/will be contributed.
Employer's ABN	• The school's Australian Business Number

(*) The below Exception applies to the first pay slip: when an employer needs to give a new employee a pay slip within 14 days of their first pay day, the first pay slip doesn't have to include the super fund name or number if:

- the employee hasn't notified the employer of their choice of super fund
- the employer hasn't been able to obtain the employee's stapled super fund details from the Australian Taxation Office (ATO).

Back to Top

Appendix 14: Claim for Travel Reimbursement for Use of Private Motor Vehicle

1. Claims for reimbursement of private motor vehicle expenses for work purposes are to be completed using the current claim form. Record each trip, including:
    - Date of travel
    - Starting point and destination (address)
    - Number of kilometres travelled (based on odometer or mapping tool)
    - Private kilometres
    - Purpose of travel (business-related activity)
    - Supporting evidence should be provided:
        - Copy of school visit report from HEAT
        - Where applicable, copy of Toll Statement with relevant charges highlighted
2. Claim forms together with the supporting evidence are to be submitted monthly to the relevant Manager for approval.
3. Payroll Team will process reimbursements in the next payment cycle in accordance with the approved claims and applicable ATO rate per kilometres, which is reviewed regularly.
4. Ensure compliance with the following conditions:
    - 4.1. Staff has read and agreed to comply with MACS Safe Work-Related Driving Procedure.
    - 4.2. Staff must maintain a valid driver's licence and ensure their vehicle is roadworthy and appropriately insured to cover work-related usage.
    - 4.3. Private vehicle should fall within the ATO definition of a car eligible for mileage reimbursement as a motor vehicle, owned, leased or under a hire-purchase agreement, designed to carry a load of less than one tonne and less than nine passengers (including the driver). Motorcyles, utility vehicles, minivans and similar vehicles do not meet above definition.
    - 4.4. This claim form allows a tax-free claim at a maximum of 5,000 business kilometres per car annually. If the claim exceeds 5,000 km, the excess portion will be treated as taxable income and subject to Pay As You Go Withholding (PAYG).
    - 4.5. Reimbursement is based only on business kilometres travelled and should exclude travelling from home to work and private travel

Back to Top

Appendix 15: Comparison Summary between Physical Card vs. Virtual Card

Feature	Physical Card	Virtual Card
Form	Plastic card	Digital card accessible through a device's digital wallets like Apple Pay or Google Pay
Issuance Time	May take days to arrive by mail	Instant issuance 24/7
Eligible Staff	Staff with financial delegations	Pre-approved Staff
Control & Limits	Set per card	Configurable limits and expiry dates
Usage	In-store, online or over-the-phone purchases	Primarily for online and in-stores with contactless payment options
Transaction Coding	Real-time tracking and integration with FlexiPurchase	Same as physical card
Flexibility	Less flexible in limiting usage per transaction	Higher security with unique, single-use card numbers
Security	Risk of loss, theft, or unauthorised use	Highly flexible, can be designed for one-off, multiple or specific purpose purchases with defined controls

Back to Top

Appendix 16: GST Fundamentals

GST Fundamentals

1. GST is a 10% tax applied on most goods, services and other items sold or consumed in Australia. As MACS is registered for GST, it is liable to include GST in the price of its taxable sales (output tax) and claim GST credits on business-related purchases of goods and services (input tax credits).
2. At the end of reporting period, GST on taxable supplies made by MACS is offset against input tax credits on eligible purchases:
   2.1. If input tax credits exceed the GST collected, MACS is entitled to GST refund from the ATO
   2.2. If GST collected exceeds input tax credits, MACS must remit the net GST payable to the ATO

The following table summarises the (3) types of GST Supplies and GST treatment for each type.

Description	Taxable Supplies	GST-free Supplies	Input Taxed Supplies
Explanation	1. Made for consideration 2. Made in the course of business 3. Transacted within Australia 4. Supplier is registered for GST 5. The supply is not a GST-free or input taxed item	1. Goods and services that do not include GST in the price and are exempt from GST 2. The entity can still claim GST credits on purchases related to these GST-free sales	Input taxed supplies are not subject to GST hence no input tax credits can be claimed on related purchases
Collect 10% GST on supply	Yes	No	No
Claim 10% GST paid on eligible purchases	Yes	Yes	No
Further information	About Taxable Sales	About GST-free Sales	About GST-free Sales and GST Tax Ruling for Pre-school, Primary and Secondary Education Courses

Tax Invoices and Australian Business Number (ABN)

The ABN on an invoice is a unique identity number that recognises entities that have dealings with the ATO and other government agencies and must be quoted on tax invoices. The presence of ABN does not confirm the business is registered for GST and must use ABN lookup to verify ABN and GST registration status.

Checking ABN	Explanation	Responsibility
Have a valid tax invoice	• A valid tax invoice must contain all the information as detailed at Accounts Receivable (AR) Invoicing • A supplier must provide a tax invoice if the sale is for $82.50 (including GST) or more within 28 days • For a sale under $82.50 (including GST), a receipt or simple invoice is sufficient • The ATO recognises electronic/digital invoices, in PDF or other digital formats, as a valid tax invoice provided they contain all mandatory details as per a paper invoice	Invoice receipt and verification
Invoices quoting ABN but Entity not registered with GST	A supplier may have an ABN but is not required to register for GST if their annual turnover is under $75,000 (or $150,000 for non-profits) The supplier cannot charge GST on their invoices	Recorded as GST-free transactions
Invoices Without ABN	• We are generally required by the ATO to withhold the top rate of tax from the payment and remit it to the ATO.	No ABN Withholding Tax

	• Failing to withhold when a withholding tax is required will result to a penalty up to the extent of the withholding tax.	
	Exemptions to Withholding Tax for Invoices without an ABN: 1) The supply is made as part of a private recreational pursuit or hobby 2) The payment is $75 or less (excluding GST) 3) The supply is wholly input taxed 4) The supplier is under 18 and payment does not exceed $350 per week	Supplier should provide a written statement using a Statement by a Supplier
	Further information is detailed at Withholding if ABN is not provided	
Recipient-Created Tax Invoice (RCTI)	A tax invoice that the recipient of goods or services prepares and gives to the supplier, instead of the supplier, to account for GST correctly. Requirements: 1) Both the supplier and recipient must be registered for GST 2) A current and effective written agreement is in place allowing the recipient to issue RCTIs 3) The ATO has determined that the type of good or service is eligible to use a RCTI Further information is detailed at RCTI	Included in BAS It has been deemed that the payment of government grants to schools by the VCEA is acceptable as an RCTI

Back to Top

Appendix 17: GST Concessions

GST Concessions	Eligibility Conditions
Catholic GST Religious Group This allows the group to treat all internal transactions between members of the same GST religious group as out of scope (not subject to GST)	1) Must be recognised by the Australian Catholic Bishops Conference (ACBC) as a Catholic entity operating in Australia 2) Must not be a member of any other GST Religious Group 3) Must be registered as an Australian business and hold an Australian Business Number (ABN) 4) Must be registered for GST with the ATO 5) Must be endorsed by the ATO to access the Income Tax Exemption Charitable Tax Concession
	Further information on Catholic GST Religious Group can be found at Catholic GST Religious Group
	Organisations that form part of the Catholic Religious Group can be found at Catholic GST Religious Group Search Database
School Tuckshops/Canteens	If a school tuckshop/canteen is operated by school or a NFP organisation (e.g., Parents Association) on school grounds, its sales can be GST-free, if all the following apply: 1) Run by a non-profit body (not a commercial caterer) 2) Mainly staffed by volunteers (e.g., parents helping at recess/lunch) 3) Profits are for the benefit of the students/school 4) Food sold is typical school foods (e.g., sandwiches, snacks, drinks)
	GST concession does not apply if run by a commercial operator
Raffles and Bingo	1) If the raffle or bingo is run by the school, alumni or parent association 2) Proceeds from ticket sales go to the school (e.g., Mother's Day raffle to buy library books)
	GST concession does not apply if run by a private company
Rent or facility hire to community groups	If hire is solely for charitable purpose (e.g., Parish Youth group)
Other Common GST Concessions	Fundraising events, gifts and donations as covered above. Further ATO information are detailed at GST Concessions

Back to Top

Appendix 18: FBT Compliance Guideline – Pool Cars

This guideline ensures compliance with the Australian Taxation Office (ATO) requirements for Fringe Benefits Tax (FBT) assessment in relation to company-owned pool cars. It provides procedures to determine if a fringe benefit arises, and outlines strategies to reduce or eliminate FBT liability.

1. A pool car is a company-owned vehicle available for use by multiple employees, primarily for business purposes. To qualify as a pool car (and potentially avoid FBT), the following conditions generally apply:
   - Car is kept on business premises when not in use
   - Car is not normally taken home by employees
   - Private use is incidental and infrequent (e.g., stopping at the shops while on business travel).
   - A booking system is in place to allocate use
2. A car fringe benefit most commonly arises where the employer makes a car available for the private use of an employee (or the car is treated as being available). A car is treated as being available for private use by an employee on any day that either:
   - The car is not at employer's premises, and the employee is allowed to use it for private purposes
   - The car is garaged at or near the employee's home, treated as being available for the private use of the employee regardless of whether they have permission to use it for private purposes
   - Travel to and from work is considered private use of a vehicle, even if the staff member stops off to do work-related tasks on the way.
3. Strategies to Avoid or Limit FBT Liability

3.1. Pool car procedure restricting Home-to-Work Travel

Although the procedure for the use of pool cars permits overnight bookings in exceptional circumstances, it is important to note that for FBT purposes, a car garaged at an employee's home is considered available for private use. The ATO adopts a narrow interpretation of minor, infrequent, or irregular private use as following:

- travel that is small or insignificant in distance and time compared to business travel
- travel that does not happen very often, or is not the norm, and
- travel that does not happen regularly or at fixed regular intervals.

Therefore, MACS must be able to demonstrate that any private use meets these strict limitations.

To manage this risk:

3.1.1. Require pool cars to be returned to the office at the end of each day.

3.1.2. Prohibit overnight bookings unless required for legitimate business purposes. Examples include:

• An early morning client meeting in another city

• Attendance at an out-of-hours business event (e.g., conference, work function)

Note: Early airport transfers should not require overnight car use as cab vouchers can be provided.

3.2. Introduce a formal booking system and require logbooks to record all business and limited private use to support FBT compliance.

3.3. Limit private use to minor, infrequent, and irregular

3.4. Consider providing exempt vehicles where possible

3.5. Require employees to reimburse private-use portions (reduces taxable value to nil if fully reimbursed).

3.6. Update employment contracts where relevant to reinforce obligations regarding vehicle use and FBT compliance

3.7. The Fleet Officer must regularly review logs, bookings, and usage patterns to ensure adherence to policy and minimise FBT exposure.

Back to Top

Appendix 19: Gifts & Entertainment and Meal Entertainment Expense Register

Gifts & Entertainment and Meal Entertainment Expense Register

SCHOOL NAME: ________________________________ **FBT YEAR ENDING: 31 March** _____

MEAL ENTERTAINMENT – AFS ACCOUNT 2467

Date	Details	Meal Entertainment Cost, ex GST	50% subject to FBT*
	SUB TOTAL MEAL ENTERTAINMENT	(A) $____________________	(B) $____________________

** using the 50/50 method*

GIFTS & ENTERTAINMENT – AFS ACCOUNT 2466

Date	Details	Total Gift Cost, ex GST	Amount Subject to FBT
	SUB TOTAL GIFTS & ENTERTAINMENT	(C) $__________________________	(D) $___________________

TOTAL GIFTS & ENTERTAINMENT AND MEAL ENTERTAINMENT EXPENSE = (A) + (C) = $__________

TOTAL MEAL ENTERTAINMENT SUBJECT TO FBT (B) **= $**______________________ (Should be part of school's FBT calculations)

TOTAL GIFTS & ENTERTAINMENT SUBJECT TO FBT (D) **= $**______________________ (Should be part of school's FBT calculations)

Signed by: _______________________ (Principal)
________________________________ (Business Manager)

Reviewed by:

Date: ____/____/____

Date: ____/____/____

Back to Top

Appendix 20: Principal Financial Handover Checklist

A financial handover checklist must be prepared on termination of the Principal's employment with the school, or where the Principal has a period of absence in excess of two terms.

Principal Financial Handover Requirements

Outgoing Principal

- The outgoing Principal must prepare a financial handover checklist for the incoming Principal or acting Principal. Assistance can be provided from the Finance Business Partners for the primary schools or Business Manager for secondary schools.
- The outgoing Principal must ensure that all school financial records are up to date and reflect the handover checklist as near as practical to the outgoing Principal's last day of duty.
- Where the outgoing Principal is incapacitated, or reasonably unable to complete the financial handover checklist, this duty falls to the relevant Finance Business Partner or Business Manager.

Incoming Principal

- The incoming Principal must review and verify the accuracy and completeness of the financial handover checklist. Assistance can be provided from the relevant Finance Business Partner or Business Manager.
- Where the incoming Principal or acting Principal is yet to be appointed, or reasonably unable to complete the review of the financial handover checklist, this duty falls to the relevant Finance Business Partner or Business Manager.
- Discrepancies subsequently observed in the financial handover checklist should be brought to the attention of the MACS Regional General Manager.

Sample Principal Financial Handover Checklist

Principal Financial Handover Checklist

Notification	Principal	Comment	Status
Financial	✓		
Delegation letters		Update Delegations & signatories and remove old letters	
CDF, bank or financial institution		Incl Main bank, P&F, Investment a/c Update signatories to Acting Principal	
Electronic banking			
Credit card institutions			
ACNC register		Within 28 days of the change, Responsible Person	
School Building Fund		If school managed building fund	
Catholic Church Insurance (CCI)			
WorkCover			
CSEF			
ATO & MyGov ID / RAM		Adding Acting Principal	
Salary packaging - Selectus			
ICON access		Adding Acting Principal	

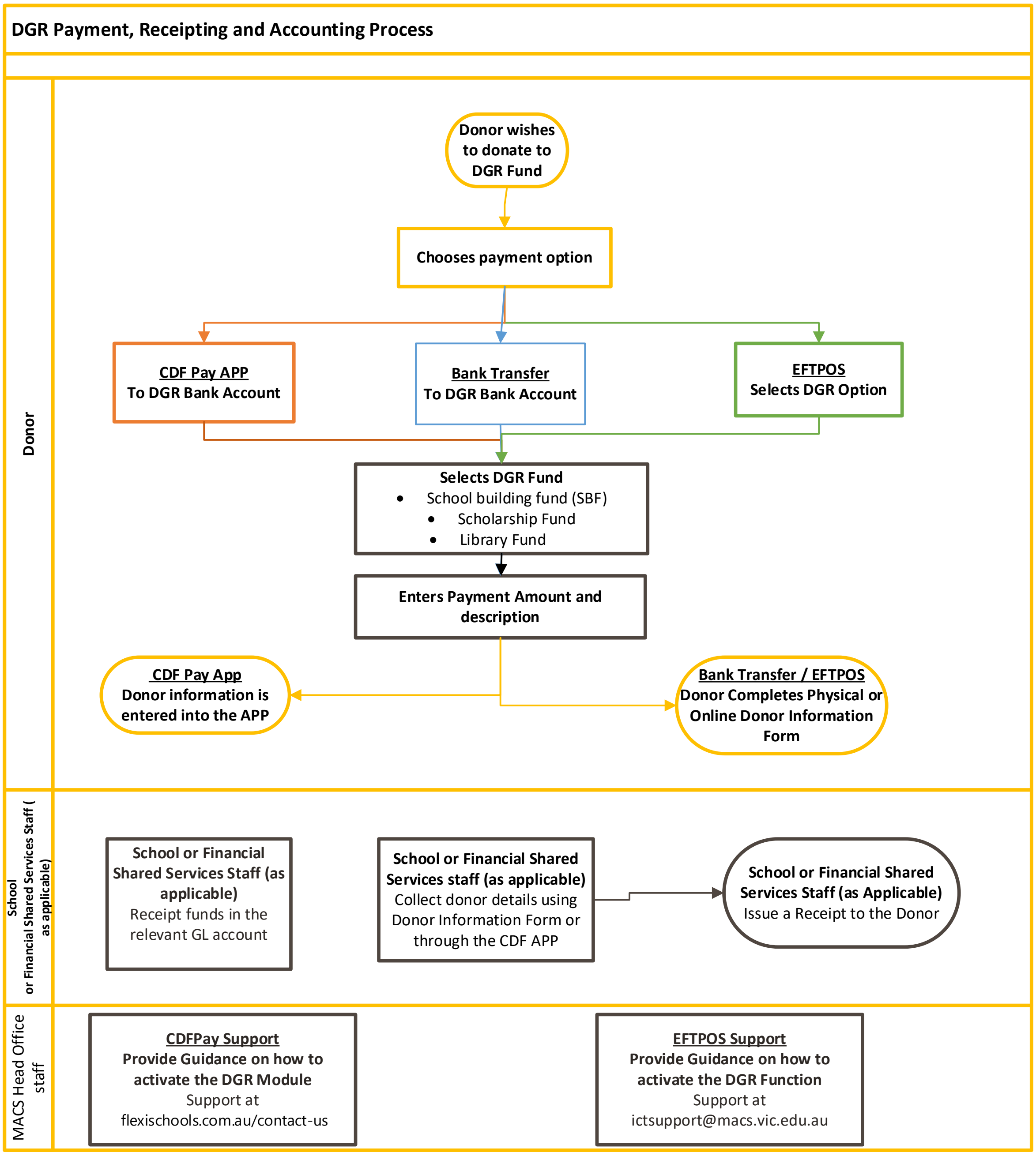
Back to Top

Appendix 21: Deductible Gift Recipients (DGR) Guidance Paper

Purpose

This Guidance paper provides information for MACS schools on the Payment, Receipting and compliant Receipt Issuance of DGR donations.

DGR Payment, Receipting and Accounting Process outline



Payment

A donor makes a Tax-deductible payment to a School's DGR Fund.
Scenarios where this would occur include:

- In person: At a fund-raising event or at a MACS school using CDFPay, EFTPOS facility, bank transfer
- Virtually via CDFPay or bank transaction
- As a bequest in a Will

Note:

- For payment via EFTPOS, schools need to activate the 'DGR' function. For support, please contact ictsupport@macs.vic.edu.au
- To support DGR donations via CDFPay, schools need to activate the DGR module within CDFPay. For support, please contact flexischools.com.au/contact-us.

GL Receipt – allocation of funds to relevant GL accounts

On a regular basis, the AR officer / School Administration Officer receipts the funds received in school's DGR bank account into the below DGR Income GL account using the description provided

GL code: 0541
Transaction reference: St Mary's Primary school (suburb) School building fund donation

Issuing Compliant Receipt to Donors

Subsequent to receiving the DGR donations, the AR Officer / School Administration Officer issue the receipt and send this to the Donor via the advised address as outlined in the Sample Donor Information Form.

The receipt must state:

- The name of the fund
- The DGR's ABN
- The amount of the donation
- That the receipt is for a gift to the DGR

Sample Donor Information Form

Melbourne Archdiocese
Catholic Schools

Deductible Gift Recipients (DGR)
Donor Information Form

<INSERT SCHOOL LOGO HERE>
Click on this box > click 'Shape Format' in the top ribbon > shape fill (drop down arrow) > picture > insert school logo. Delete this text after school logo is inserted.

Your Information

Full Name	
Address	
Suburb	
Postcode	
Email	

Your Donation

School Name		
School Address		
Fund Type	School Building Fund	☐
	Scholarship Fund	☐
	Library Fund	☐
Payment Method (EFTPOS, Bank Transfer, CDF Pay App, Other)		
Date Paid		
Amount of donation		

A receipt will be sent to donor's email address. In the absence of the email, the receipt will be sent via post.

Please return this form to: school's email address via email or school's address via post

Sample Receipt

Melbourne Archdiocese
Catholic Schools

St Mary's School xxx

ABN 18 643 442 371

Received by St Mary's Primary *(insert Fund name)* Fund.

Date: DD/MM/YYYY
Receipt Number: XXXX

Donation received from: name of person making donation
Address: if known
Amount: $XXXXX
Payment Type: EFT/bank transfer/Credit card/xxx

Declaration

*This receipt acknowledges that the above amount was received by **[St Mary - School name]** as a **gift** for the purposes of Division 30 of the Income Tax Assessment Act 1997.*

No goods or services were provided in return for this donation.

Back to Top

Definitions

Definitions of standard terms used in this Procedure Manual can be found in the Glossary of Terms. Additional terms specific to this section and their definitions are outlined in the table below

Term	Definition	Chapter
Split Families	Families in which the parents or guardians of a child are separated or divorced.	Chapter 1 — Accounts Receivable
Enquiry Tracker	A specialised, and approved tool for MACS schools that manages the entire enrolment lifecycle, from initial enquiry and online applications to tracking applicant progress.	Chapter 1 — Accounts Receivable
Point-of-Sale (POS) System	An electronic system used to record sales transactions, accept electronic payments, manage inventory, and produce financial reports for trading activities.	Chapter 9 — School Trading Activities & Other Private Income
Cash Floats	A fixed amount of cash allocated to a trading activity (e.g., canteen or uniform shop) for providing change during operations.	Chapter 9 — School Trading Activities & Other Private Income
Personnel Record System (PRS)	The central electronic record containing employment-related information for each employee, including pay rates, employment status, allowances, leave balances, and contract details. The PRS is the authoritative source for payroll processing and must be kept accurate and up to date.	Chapter 11 — Payroll
Normal Administrative Practice (NAP)	A method for disposing of routine, low-value, or duplicated administrative records that are not required for legal, operational, or evidentiary purposes.	Chapter 16 — Financial Records

Back to Top

Reference Index

Keyword / Topic	Primary Chapter	Related Policies / Procedures
Accounts Payable	Ch. 6: Accounts Payable and Expense Disbursement	
Accounts Receivable	Ch. 1: Accounts Receivable	
Acquisition	Ch. 3: Fixed Asset and Depreciation	
Acquittal	Ch. 15: External Audit	
Activity Based Costing (ABC)	Ch. 19: Operational and Capital Budgeting	
Administrative		
Aged debtor	Ch. 1: Accounts Receivable; Ch. 2: Debtor Management and Recovery	
Annual Information Statement (AIS)	Ch. 15: External Audit	
Archdiocese Building and Property Commission (ABPC)		Bank, Loan, Receipting, and Bank Accounts Policy*
Arms-length		Related Parties Policy
Assessment and Reporting Authority (ACARA)	Ch. 18: Financial Closure and Reporting	
Assets	Ch. 3: Fixed Asset and Depreciation	
Assumptions	Ch. 19: Operational and Capital Budgeting	
Australian Charities and Not-for-profits Commission (ACNC)	Ch. 18: Financial Closure and Reporting	
Australian Government Department of Education (DoE)	Ch. 18: Financial Closure and Reporting	
Australian Taxation Office (ATO)	Ch. 17: Taxation	
Bad and Doubtful Debts	Ch. 1: Accounts Receivable	
Balance Sheet Reconciliation		
Banking		Bank, Loan, Receipting, and Bank Accounts Policy*
Borrowing		Bank, Loan, Receipting, and Bank Accounts Policy*
Bpay	Ch. 1: Accounts Receivable	
Budget	Ch. 19: Operational and Capital Budgeting	
Budgeting	Ch. 19: Operational and Capital Budgeting	
Business combination	Ch. 3: Fixed Asset and Depreciation	
Capital Budget	Ch. 19: Operational and Capital Budgeting	
Capital Fee	App. 1: Coding for Fee/Levy Exemptions, Rebates and Discounts	
Capital Improvements	Ch. 3: Fixed Asset and Depreciation	
capitalisation	Ch. 3: Fixed Asset and Depreciation	
Cash		Bank, Loan, Receipting, and Bank Accounts Policy*

Cash floats	Ch. 9: School Trading Activities and Other Private Income	
cash reserves		Bank, Loan, Receipting, and Bank Accounts Policy*
cashless		
Catholic Education Multi Enterprise Agreement (CEMEA)	Ch. 11: Payroll	
CentrePay		
Concessional Fees		Concessional Fee Program - Procedures
Conflict of Interest		Conflict of Interest Policy
Contingency plans		Bank, Loan, Receipting, and Bank Accounts Policy*
Contribution Levy	Ch. 10: MACS Levy	
CPI	Ch. 19: Operational and Capital Budgeting	
Credit card	Ch. 12: Credit Card	
Debt collection	Ch. 2: Debtor Management and Recovery	
Debt Management	Ch. 2: Debtor Management and Recovery	
debt recovery	Ch. 2: Debtor Management and Recovery	
Debtor Management and Recovery	Ch. 2: Debtor Management and Recovery	
Declaration		Sponsorship Policy
Decommission	Ch. 3: Fixed Asset and Depreciation	
Deductible Gift Recipient Funds	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
Depreciation	Ch. 3: Fixed Asset and Depreciation	
Derivative (Treasury Management Policy)		Deductible Gift Recipient Funds Policy and Procedures
DGR Funds	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
Discounts	Ch. 1: Accounts Receivable	
Disposal	Ch. 3: Fixed Asset and Depreciation	
Donation	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
Donors	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
Drawdown		Bank, Loan, Receipting, and Bank Accounts Policy*
Economic benefits	Ch. 3: Fixed Asset and Depreciation	
EFT	Ch. 1: Accounts Receivable; Ch. 6: Accounts Payable and Expense Disbursement	
Employee records	Ch. 11: Payroll	
Encrypt	Ch. 1: Accounts Receivable	

Enrolment	Ch. 1: Accounts Receivable; Ch. 2: Debtor Management and Recovery; Ch. 19: Operational and Capital Budgeting	
Exception report	Ch. 11: Payroll	
Exemptions	Ch. 17: Taxation; App. 1: Coding for Fee/Levy Exemptions, Rebates and Discounts	
Expense claim	Ch. 6: Accounts Payable and Expense Disbursement	
Expense reimbursement	Ch. 6: Accounts Payable and Expense Disbursement	
External Audit	Ch. 15: External Audit	
Fee Obligation	Ch. 2: Debtor Management and Recovery	
Finance and Audit Committee	Ch. 15: External Audit; Ch. 18: Financial Closure and Reporting	
Finance lease	Ch. 5: Lease Assets and Liabilities	
Financial delegate	Ch. 6: Accounts Payable and Expense Disbursement	
Financial Questionnaire (FQ)	Ch. 15: External Audit; Ch. 18: Financial Closure and Reporting	
Financial records	Ch. 16: Financial Records	
Financial reporting	Ch. 18: Financial Closure and Reporting	
Financial Shared Services	All chapters	
Financing		Bank, Loan, Receipting, and Bank Accounts Policy*
First-In-First-Out (FIFO)	Ch. 9: School Trading Activities and Other Private Income	
Fixed Asset	Ch. 3: Fixed Asset and Depreciation	
Fixed Asset Register (FAR)	Ch. 3: Fixed Asset and Depreciation	
FlexiPurchase	Ch. 12: Credit Card	
Floor-to-Sheet	App. 7: Fixed Assets Stocktake Guidance	
Fraud	Ch. 1: Accounts Receivable; Ch. 11: Payroll; Ch. 12: Credit Card	
Fringe Benefits Tax (FBT)	Ch. 17: Taxation	
Gift	Ch. 17: Taxation	Deductible Gift Recipient Funds Policy and Procedures
Gifts and Entertainment	Ch. 17: Taxation	
Goods and Services Tax (GST)	Ch. 17: Taxation	
Goodwill	Ch. 4: Intangible Assets	
Governance	Ch. 13: Expense Control and Governance; Ch. 18: Financial Closure and Reporting	
Grant	Ch. 8: Grant Income	
Grant income	Ch. 8: Grant Income	
GST Concession	Ch. 17: Taxation	
Impairment	Ch. 3: Fixed Asset and Depreciation	
Infrastructure	Ch. 3: Fixed Asset and Depreciation; Ch. 18: Financial Closure and Reporting	

Instrument of Delegation	All chapters	Instrument of Delegation
Insurance	Ch. 3: Fixed Asset and Depreciation	
Intangible Assets	Ch. 4: Intangible Assets	
Intellectual property	Ch. 4: Intangible Assets	
Interest expense		Bank, Loan, Receipting, and Bank Accounts Policy*
Interest income	Ch. 9: School Trading Activities and Other Private Income	Bank, Loan, Receipting, and Bank Accounts Policy*
interest rates	Ch. 19: Operational and Capital Budgeting	
internal control	All chapters	
Internal Controls	All chapters	Bank, Loan, Receipting, and Bank Accounts Policy*
Internally developed software	Ch. 4: Intangible Assets	
Investment	Ch. 3: Fixed Asset and Depreciation	Bank, Loan, Receipting, and Bank Accounts Policy*
Investment buildings	Ch. 3: Fixed Asset and Depreciation	
Investment land	Ch. 3: Fixed Asset and Depreciation	
Land Tax	Ch. 17: Taxation	
Lease	Ch. 5: Lease Assets and Liabilities	
lease liability	Ch. 5: Lease Assets and Liabilities	
Lessee	Ch. 5: Lease Assets and Liabilities	
Lessor	Ch. 5: Lease Assets and Liabilities	
Levies	Ch. 1: Accounts Receivable; Ch. 10: MACS Levy	
liquidity		Bank, Loan, Receipting, and Bank Accounts Policy*
Loan		Bank, Loan, Receipting, and Bank Accounts Policy*
Loan Terms		
Long Service Leave (LSL)		
MACS Levies	Ch. 10: MACS Levy	
Major capital projects		Bank, Loan, Receipting, and Bank Accounts Policy*
Management Committee		Deductible Gift Recipient Funds Policy and Procedures
Masterfile	Ch. 1: Accounts Receivable; Ch. 6: Accounts Payable and Expense Disbursement	
Minor assets	Ch. 3: Fixed Asset and Depreciation	
Modern Slavery		Modern Slavery Policy
Motor Vehicle		Motor Vehicle Policy and Procedure

Objects (Deductible Gift Recipient Funds Policy and Procedures)		Deductible Gift Recipient Funds Policy and Procedures
Operating lease	Ch. 19: Operational and Capital Budgeting	
Operational budget	Ch. 19: Operational and Capital Budgeting	
Ordinary citizen transactions		Related Parties Policy
Overdraft		Bank, Loan, Receipting, and Bank Accounts Policy*
Overdue debts	Ch. 2: Debtor Management and Recovery	
Parents and Friends		Parents and Friends Policy
Pay As You Go (PAYG)	Ch. 11: Payroll	
Payables	Ch. 6: Accounts Payable and Expense Disbursement	
Paypal	Ch. 1: Accounts Receivable	
Payroll	Ch. 11: Payroll	
Pay-run cycle	Ch. 11: Payroll	
Personnel Record System (PRS)	Ch. 11: Payroll	
Point-of-sale (POS)	Ch. 9: School Trading Activities and Other Private Income	
Pool car		
Private Income	Ch. 9: School Trading Activities and Other Private Income	
Procurement	Ch. 6: Accounts Payable and Expense Disbursement	Bank, Loan, Receipting, and Bank Accounts Policy*
Property, plant and equipment	Ch. 3: Fixed Asset and Depreciation	
Provision	Ch. 7: Provisions	
Public libraries		Deductible Gift Recipient Funds Policy and Procedures
Rebates	App. 1: Coding for Fee/Levy Exemptions, Rebates and Discounts	
Recurrent Grant	Ch. 8: Grant Income	
Related Parties		Related Parties Policy
Rental income	Ch. 9: School Trading Activities and Other Private Income	
Repayment		Bank, Loan, Receipting, and Bank Accounts Policy*
Reportable Fringe Benefits (RFBA)	Ch. 17: Taxation	
Repurchase		Bank, Loan, Receipting, and Bank Accounts Policy*
Requisition	Ch. 6: Accounts Payable and Expense Disbursement	
Responsible Persons		Related Parties Policy
Restitution Provision	Ch. 7: Provisions	
Right-of-use	Ch. 5: Lease Assets and Liabilities	
Right-of-use asset	Ch. 5: Lease Assets and Liabilities	
Risk		Sponsorship Policy

Risk Management		Bank, Loan, Receipting, and Bank Accounts Policy*
Roman Catholic Trusts Corporation (RCTC)	Ch. 3: Fixed Asset and Depreciation	
Rules		Deductible Gift Recipient Funds Policy and Procedures
Salary	Ch. 11: Payroll	
Salary Packaging	Ch. 11: Payroll	
Scholarship Funds	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
School Building Funds	Appendix_21_Deductible_Gift_Recipients	Deductible Gift Recipient Funds Policy and Procedures
School Fee	Ch. 1: Accounts Receivable	
School Finance	Ch. 1: Accounts Receivable	
School Trading Activities	Ch. 9: School Trading Activities and Other Private Income	
Segregation of duties	All chapters	
Sheet-to-Floor	App. 7: Fixed Assets Stocktake Guidance	
Single Touch Payroll (STP)	Ch. 11: Payroll	
Solicitors		
Specified Trading Activities (Specified Trading Activities Procedure)	Ch. 9: School Trading Activities and Other Private Income	
Sponsorship		Sponsorship Policy
Sponsorship Agreements		Sponsorship Policy
State Revenue Office, Victoria (SRO)	Ch. 17: Taxation	
Stocktake	Ch. 3: Fixed Asset and Depreciation	
Superannuation	Ch. 11: Payroll	
Supplementary Capital Fund (Supplementary Capital Fund Policy)		
Trademarks	Ch. 4: Intangible Assets	
travel expenses	Ch. 6: Accounts Payable and Expense Disbursement	
Treasury		Bank, Loan, Receipting, and Bank Accounts Policy*
true and fair view	Ch. 15: External Audit	
Tuition fee	Ch. 1: Accounts Receivable	
Unearned income		
Unqualified audit opinion	Ch. 15: External Audit	
Victorian Catholic Education Authority (VCEA)	Ch. 18: Financial Closure and Reporting	
Victorian Civil and Administrative Tribunal (VCAT)		
Virtual card	Ch. 12: Credit Card	

Weighted Average Cost (WAC)	Ch. 9: School Trading Activities and Other Private Income
Withholding rate	Ch. 17: Taxation
Work in Progress (WIP)	Ch. 3: Fixed Asset and Depreciation
Workcover	

**The current policy applies to schools only. In the future, a Treasury Management Policy covering both offices and schools will be developed. Update will be provided as soon as the new policy is published.*

Policy information table

Sponsoring executive	Director, Finance, Infrastructure and Digital
Document owner	General Manager, Group Finance
Approval authority	Director, Finance, Infrastructure and Digital
Approval date	27 April 2026
Next review by	April 2027
Publication	Gabriel, CEVN
Related policy	Finance and Accounting Policy
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)