

SAMOA LAND CORPORATION LTD FINANCE POLICY AND PROCEDURE MANUAL

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Introduction

The Samoa Land Corporation Limited (SLC Ltd) Financial Policy and Procedure Manual provides the policies and procedures for finance transactions within the corporation which must be followed by all staff. It also provides guidelines SLC Ltd will use to administer these policies, with the correct procedure to follow.

Samoa Land Corporation Ltd will keep all financial policies current and relevant and in line with Public Finance Management Act 2001 requirements. From time to time it will be necessary to modify and amend some sections of the policies and procedures, or to add new procedures.

Any suggestions, recommendations or feedback on the policies and procedures in this manual are welcome.

These policies and procedures apply to all employees.

Finance Authorisation Policy

Policy Number: **FP001**

Policy Date: **8th January 2014**

Purpose of the Policy

All finance transactions as noted in this policy are to be authorised by the noted authorised person prior to the transaction being undertaken.

This policy is to be read in conjunction with other specific finance policies where relevant.

Procedures

Prior to any of the following finance transactions being undertaken, the authorising person noted must authorise the transaction.

Where additional policy is noted, this policy must also be adhered to when undertaking the finance transaction.

| Finance Transaction | Authorised Person | Additional Policy |
|---------------------------------|--|-------------------|
| Bank Accounts | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Issuing Petty Cash | <ol style="list-style-type: none"> 1. Manager Corporate Services 2. Assistant Manager Accounts 3. Team Leader | |
| Business Credit Card | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Authorising New Customers | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Authorising New Suppliers | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Purchasing Stock | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Purchasing Assets/ Equipment | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |
| Debt Collection | <ol style="list-style-type: none"> 1. General Manager 2. Manager 3. Assistant Manager | |
| Payment of Invoices | <ol style="list-style-type: none"> 1. General Manager 2. Manager | |

Bank Account Policy

Policy Number: **FP002**

Policy Date: **8th January 2014**

Purpose of the Policy

This policy sets out the requirements for use of bank accounts, including opening, closing authorisation, variations to terms and conditions, reconciliation of bank accounts and bank account transactions.

Procedures

Opening Bank Accounts

Any new bank accounts to be opened for the business must have the authorisation of General Manager and Manager.

For each new bank account opened, the financial system must be updated and the bank account registered by Manager Corporate Service or Assistant Manager Accounts.

Bank Account Authorisations

For monies withdrawn from any bank account, whether by cheque, EFT or other online payment method, there must be two **(2)** persons authorising for each payment.

The authorised persons for bank account payments are:

1. General Manager and
2. Manager

Each payment made must be supported by invoice, receipt or other appropriate documentation and the authorisations must be attached to this documentation prior to payment.

Variations to Bank Account Terms and Conditions

Any variations to banking arrangements can be made or varied by General Manager and Manager

Manager Corporate Service or Assistant Manager Accounts is responsible for updating the financial system and/or bank account register with the new information.

Closing Bank Accounts

Where it is decided that a bank account is no longer necessary, General Manager and Manager will authorise the closure of the bank account.

The Manager Corporate Service or Assistant Manager Accounts will then be required to complete the following:

- ensure all transactions with respect to the account (including cheques drawn) have been completed;
- lodge with the bank a letter, signed by two (2) authorised signatories advising of the closure of the account;
- meet the bank's requirements with respect to account closure; and
- update the financial system and bank account register.

Bank Account Transactions

All deposits received must be banked within the same day or following days banking.

Unallocated direct deposits of more than 1 month will be investigated fully to determine source of deposit. Where the source cannot be identified, the deposit will be allocated to Funds Held on Deposit until it is identified in the near future

Cheques outstanding for more than 3 months will be reallocated back to the business through the financial system

Where a payment stop on a cheque is required, this will be authorised by General Manager and Manager.

Manager Corporate Service or Assistant Manager Accounts will be responsible for carrying out the following duties in regards to payment stop on a cheque:

- ensuring the cheque has not already been presented at the bank;
- getting authorisation to action the stop payment using appropriate forms from the bank;
- ensuring the bank receives notification of the stop payment notice;
- receiving confirmation of action from the bank of the stop payment; and
- ensuring the details of the stop payment are kept in the stop payment folder.

The Assistant Manager Accounts is responsible for preparing Bank Reconciliation and submitted to Manager Corporate Service for certification on the 5th working day of following month.

Additional Policies for Banking

Market/FGC Collection Policy

Petty Cash Policy

Policy Number: **FP003**

Policy Date: **8th January 2014**

Purpose of the Policy

Petty cash should be used to pay for small business expenses up to \$100 where payments through accounts payable or credit card are not justified or appropriate

Procedures

Issuing Petty Cash

Petty cash vouchers must be completed before any cash is taken from the petty cash float.

Only up to \$100 can be disbursed at any one time.

All petty cash vouchers issued must be approved by General Manager or Manager

Once the petty cash is spent, a receipt or invoice should be attached to the voucher and returned to petty cash with any balance of monies unspent

All completed vouchers must have the following details included:

- Issue date of voucher;
- Name of person issued the voucher;
- Amount of monies disbursed;
- Details of expense;
- Invoice or receipt; and
- Signature of approval person,

Reconciling Petty Cash

Petty cash float is to be reconciled every month. This is the responsibility of Assistant Manager Accounts.

All petty cash expenditure must be entered into the financial system once the petty cash has been reconciled.

The balance of monies and vouchers must equal the petty cash float amount before reimbursement can be made.

Reimbursement of petty cash will be authorised by General Manager or Manager

Use of Business Credit Card Policy

Policy Number: **FP004**

Policy Date: **8th January 2014**

Purpose of the Policy

This policy provides guidelines for the issue and use of business credit cards.

Procedures

An employee will only be issued a credit card once the Credit Card Authorisation Form has been completed.

The business credit card can only be used for travel, authorised entertainment and purchases of small value expenses or equipment up to the value of \$500

No cash advances are to be taken using the business credit card unless authorised by General Manager

Where a business credit card is lost or stolen, then the owner of this card is to notify Manager Corporate Service who is responsible for notifying the issuing agency and ensuring the card is cancelled.

The use of the business credit card is not to be used for personal expenses.

All holders of business credit cards are required to reconcile the monthly credit card statement to the expense form, attach all receipts for payments made on the credit card and have the expense statement authorised by General Manager.

Upon completion and authorisation of the monthly expense statement, these documents are to be forwarded to Manager Corporate Service or Assistant Manager Accounts for payment of the credit card statement.

All business credit cards are to be returned to the business when the person is requested to by General Manager or where they are no longer an employee of the business.

New Supplier Policy

Policy Number: **FP005**

Policy Date: 8th January 2014

Purpose of the Policy

All new suppliers to the business must be reviewed and accepted in accordance with this policy to ensure that the supplier service is aligned with the business objectives.

Procedures

Choosing a New Supplier

A new supplier must provide Samoa Land Corporation Ltd with quality products, great service, competitive pricing and efficient delivery.

For each new supplier the following information table must be completed prior to agreeing services

| <u>Supplier Selection Background Information</u> | |
|--|--|
| Business Name of Supplier | |
| Location of Supplier | |
| Products/Services provided by supplier (Attach a list if necessary) | |
| Name of business owner/ sales representative | |
| How many years has the supplier been trading? | |

For each new supplier being considered the following checklist must be completed

| <u>Supplier Selection Review</u> | |
|--|--|
| Is the supplier pricing competitive? Attach list to this checklist | |
| What are the payment terms for this supplier? | |
| What is the return policy for this supplier | |
| Does the supplier provide | |

| | |
|---|--|
| warranties, guarantees etc.? | |
| Are the suppliers representatives knowledgeable of the products/ services and industry? | |
| Is there an alternative to this supplier, has the alternative supplier been considered? | |
| What are the delivery services of the supplier? | |
| Has a credit check been undertaken for the supplier (attach to this checklist) | |
| Has the supplier been trade checked (attach this to this checklist) | |

Appointment of Supplier

The appointment of a new supplier will be authorised by General Manager

All relevant details of the supplier will be entered into the financial system by Accounts Officer once approval is obtained from Manager Corporate Service or Assistant Manager Accounts.

Assistant manager Accounts will review information entered into the financial system and independently verify the bank account or other payment details of the supplier to ensure payments made are to the correct supplier

The purchasing team will be notified within 2 days of the new supplier being approved

Supplier Payment Terms

All purchases from suppliers must be supported by a purchase order.

Payment terms for all suppliers must be reviewed by Manager Corporate at least once a year. Following this review each supplier must be approached to seek improved payment terms by Assistant Manager Accounts.

All supplier payment terms must be a minimum of 1 month.

Any variation to the above must be authorised by Manager Corporate Service

All supplier payments are to be reviewed at least once a quarter to ensure that payment terms are adhered to. For payments made to any suppliers earlier or later than the agreed terms Senior Accounts officer will prepare a report that details the reasons why payment terms have not been adhered to.

This report will be reviewed and authorised by Assistant Manager Accounts.

Additional Policies for Suppliers

Purchasing Policy

Stock Control Policy

Purchasing Policy

Policy Number: **FP006**

Policy Date: **8th January 2014**

Purpose of the Policy

This policy provides guidelines for the purchase of goods, services, equipment and assets for the business.

This policy is applicable for all purchases over \$100

Where items to be purchased are less than \$100, then the petty cash policy is to be used.

Procedures

Request for Purchase

All purchases must be requested through an Order Requisition Form, one allocated to all divisions.

For items over the value of \$5,000 SAT, three quotations must be provided.

Order requisition form must be authorised within the following guidelines:

| Items Purchased | Persons Authorised | Authorisation limit |
|--|---------------------------|---|
| Goods & Services [Required for normal operations and maintenance] | Tenders Board | More than or equal to \$500,000 |
| | Board of Directors | More than or equal to \$200,00 and less than \$500,000 |
| | General Manager | More than \$5,000 and up to maximum of \$50,000 |
| | Manager | Less than or equal to \$5,000 |
| Capital Items/Assets [valued at \$2,000 per item with an economic life of one (1) year] | Same as above | Same as above |

Once authorised, the Assistant Manager Accounts will issue the Purchase Order with copy of Order Requisition Form distributed to Accounts Section to Payable Officer who will check receipt of purchase against the purchase order when received.

Equipment Asset Purchases

All equipment and asset purchases must be entered and updated accordingly in the Asset schedule by Assistant Manager Accounts with the following details:

- Date of purchase;
- Asset Type
- Cheque payment number

Receipt of Purchases

All purchases received are to be checked against purchase order and noted as correctly supplied.

Once correct receipt has been recorded, this will be recorded on purchase order and forwarded to accounts payable for payment of purchase.

Additional Policies for Purchasing

Petty Cash Policy

Use of Business Credit Card Policy

Stock Control Policy

Stock Control Policy

Policy Number: **FP007**

Policy Date: **8th January 2014**

Purpose of the Policy

This policy provides guidelines for monitoring and managing the amount of stock within the Corporation to ensure that there are suitable levels of stock available to customers at all times. This policy covers stock in distribution centres.

It is the Faleata Golf Course Team Leaders responsibility to ensure that the stock control policy is adhered to by all employees.

Procedures

Purchase of Stock

It is the Purchasing Officers responsibility to:

- Identify core stock and ensure that appropriate levels are held at all times
- Monitor all stock levels and 'stock turns' (how many times stock turns over in a year)
- For fast-moving stock negotiate with suppliers for 'just in time' deliveries where possible
- Regularly review sales budgets and order necessary stock in line with budgets
- Negotiate with suppliers for best price, quality, delivery methods and returns policy

- Order all stock required
- Maintain “preferred suppliers” list
- Keep up to date with customer and market trends and seek out new product for recommendation to the FGC Team Leader.

Purchase of all stock must be authorised by FGC Team Leader and Manager Investments.

All stock purchases must be requested by using a purchase order form and adhere to the purchasing policy.

Receiving Stock

When stock is received from the supplier, it is Purchasing Officers responsibility to:

- Review delivered items to delivery docket, including quantity, quality and completeness of order
- Match delivery docket to purchase order
- Follow up and ensure correct stock order will be received where there is under/over-supply, damaged goods etc.
- Submit Invoices to Accounts for posting.
- Store the stock securely and in appropriate area
- Update all stock records for receipt of goods
- Inform Accounts Receivable Officer of any under/over supply or damaged goods

Managing Stock

It is Senior Accounts Receivable Officers responsibility to:

- Identify core stock and ensure that appropriate levels are held at all times
- Monitor all stock levels and stock turns
- Regularly review sales budgets and ensure that stock is ordered in line with budgets
- Understand each stock item – which items are the fast and slow moving stock
- Monitor re-order levels and ensure orders are placed in adequate time to reduce non-availability of core or necessary stock items
- Ensure that all staff are aware of new product, price changes and procedures for accurate recording of all stock movements
- Ensure that there are adequate controls (physical and administrative) in place to minimise theft and/or waste of all stock items
- Organise and oversee physical stock take once a week and match records of stock take to administrative and financial records

It is all sales employees' responsibility to:

- Identify core stock and ensure that appropriate levels are held at all times
- Raise purchase orders for low levels of stock
- Understand the importance of good stock control
- Keep up to date with stock pricing and new products
- Ensure that all stock records are kept accurately
- Ensure that all stock is securely stored to minimise theft and wastage

Additional Policies for Stock Control Policy

Purchasing Policy

Finance Authorisation Policy

New Supplier Policy

Market/Malifa Lodge/FGC Collection Policy

Policy Number: **FP008**

Policy Date: **8th January 2014**

Purpose of the Policy

This policy provides guidelines for managing public funds collected daily to ensure that it is properly accounted for and stored safely.

Procedures

- Savalalo Flea Market, Vaitele Market & Malifa Lodge
 - Daily collection by CASHIER after 3pm every working day is banked the next day no exemption *EXCEPT* for Fridays and Saturdays:
 - **Fridays Collection** collected by CASHIER after 3pm is banked Monday following week no exemption.
 - **Saturdays Collection** collected early Monday morning following week by Accounts staff is also banked same day no exemption.
 - Any **Delay** needs to be documented
- Salelologa Market
 - Daily Market Collection is deposited directly into SLC bank account by Salelologa Market Team Leader.
 - It is the responsibility of Team Leader to meet the daily routine requirement carried out by other SLC outlets.
 - Team Leader to submit daily lodgements to Main Office via fax/email
- Faleata Golf Course & Sports Bar
 - Daily Collection at 10am to be included in Banking
 - Saturday and Sundays collection to be banked following Monday no exemption

Responsible personnel for the delay serves one warning, second time round calls for suspension and third being terminate employment with SLC.

Lands Collection Policy

Policy Number: FP009

Policy Date: 30th June 2015

Purpose of the Policy

This policy provides guidelines for handling land payments received and its related procedures.

Procedures

- New Accounts (Land sale/Land lease)
 - Lands department to submit approved form to the Accounts section for the creation of new account in the LMS system
 - The Accounts checklist to include 1. Application Letter 2. Letter of offer and 3. Signed Agreement.
 - All three to be attached to the form submitted in order for the Accounts section to create new account.
 - Consideration given if all three requirements are not met as long as the signed agreement is attached. If however there is an application letter and or letter of offer but no signed agreement attached then it's a hold. The approved form will be directed back to the Lands department to include the signed agreement before any new account is created.

- Funds Held on Deposit
 - Any land payment received for an account that is not in the LMS system is **no longer accepted.**
 - EXCEMPTION accepted for cases where an agreement has been signed and cited but a new account has not yet been created in the system.
 - Cases where the Lands department or any other senior staff within SLC Ltd informs the Accounts section to accept the payment whilst awaiting agreement to be signed is also no longer accepted.