

[MARSICH]

MATAWHERONGAOKO

MAININDUSTRY

(THE INDUSTRIAL COOPERATIVE)

**HE PUKAPUKA TURANGA MO NGA
PUTEA ME NGA WHAKAHAERE**

(FINANCE & ADMINISTRATION MANUAL)

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1. WHAKAMARAMATANGA (Introduction):

1.1 Overview

1.1.1. Administration/Finance Manual

This Manual provides instructions on Mainindustry Systems administration and finance procedures.

1.1.2. Access and Distribution

All Staff must have easy access to this manual

Those people who need to refer to it on a regular basis must be issued with their own copy.

2. NGA MARU, NGA TURANGA O TE TARI (Office Standards & Security)

21. Overview

2.1.1. Confidentiality

The business of Mainindustry Systems must always remain confidential. Any information regarding clients will not be released without their consent as required. Ko te tangata, he taonga. Staff must take all precautions to ensure that confidentiality is maintained.

2.1.2 Workstations

As most Mainindustry Systems staff work in open work stations, special attention must be given to the treatment of visitors and the way work habits affect other staff.

2.1.3 Security

In view of the sensitivity of much of the work carried out by Mainindustry Systems staff, special attention must be given to the security of Mainindustry Systems offices and the information held.

3. WHANONGA TIKANGA (Code of Conduct)

3.1 Overview

The purpose of the Code is:

- To provide guidance on the standards of behaviour required of Mainindustry employees and
- To form the basis for any codes that may be required to suit the particular operational requirements and circumstances of Mainindustry Systems.

3.1.1. Rights and Obligations of Mainindustry Systems Employers/Employees

Employers have the obligation to provide their employees with:

- Impartial selection and appointment procedures;
- Clear statements of employees' duties and employer expectations of them,;
- Appropriate feedback and communication on work performance;
- Fair rates of remuneration for skill, responsibilities and performance;
- Good and safe working conditions;
- Equal opportunities, including recognition of the aims and aspirations of Maori according to the Declaration of Independence 1835, The Treaty of Waitangi 1840 and The Mataatua Declaration 1993 and ethnic or minority groups and the employment need of Mana Wahine and people with disabilities.
- Opportunity for the enhancement of individual abilities/
- Freedom from harassment or discrimination in the workplace;
- Appropriate disciplinary and dispute procedures, and opportunity for redress against unfair or unreasonable treatment by the employer.

In return, Mainindustry Systems employees have an obligation to their employers:

- To be present at work as required
- To maintain expected standards of performance
- To obey all lawful and reasonable instructions;
- To maintain proper standards of integrity, conduct and concern for the public interest.

3.2 THE CODE

The code of conduct establishes three principles of conduct, which all employees of Mainindustry Systems are expected to observe

i. Employees should fulfil their obligations to Mainindustry Systems with professionalism and integrity.

- Employees are obliged to serve the aims and objectives of Mainindustry Systems. Employees should ensure that their personal interest or activities do not interfere with or appear to interfere with this obligation.

ii. Employees should perform their duties honestly, faithfully and efficiently, respecting the rights of the public and their colleagues.

- Employees should carry out their duties in an efficient and competent manner, and avoid behaviour, which might impair their effectiveness.
- In performing their duties, employees should respect the rights of their colleagues and the public.
- Employees should perform their duties honestly and impartially, and avoid situations, which might compromise their integrity or otherwise lead to conflicts of interest.

iii. Employees should not bring their employer into disrepute through their private activities.

- Employees should avoid any activities, whether in connection with their duties or otherwise, which might bring Mainindustry Systems into disrepute, or jeopardise its relationships with clients or the general public.

3.2. SMOKING POLICY

3.3.1 Smoke-free Environments Act 1990

This act determines the minimum written policy required and is designed to prevent, as far as is reasonably practicable, the detrimental effects of smoking on the health of any person who does not smoke, or does not wish to smoke, inside any work place or in certain public enclosed areas.

3.3.2 Mainindustry Systems Policy

Smoking is not permitted in the following areas:

- Office Areas
- Lunch Rooms or Kitchen
- Toilets or Washroom Areas
- Passages or Hallways
- Any part of the work place which normally has public access

3.3.3. Complaints

If any employee has reason to believe that the policy is not working in respect of a particular office, or that the policy is not being followed, the problem should be referred to the Manager.

3.3.4. Enforcement of Policy

Smoking policy is based on an Act of Parliament and is designed for the comfort of ALL staff. It must therefore be enforced in all offices and infringements taken seriously.

4. TE TONO (Delegation):

4.1. OVERVIEW

4.1.1. Authority to Delegate

Delegation cannot be exercised by consultants nor those employed on Contract of Service.

4.1.2. Personnel

The most common personnel authorities are:

- Appointment of staff/authority to negotiate contracts
- Approval of Annual/Sick leave/Time Sheets/Leave of Absence Forms
- Approve attendance at training courses.

4.1.3. Other Authorities

These include such authority as:

- Make public statement on behalf of Mainindustry Systems.
- Act on behalf of Mainindustry Systems and in the capacity of another officer.
- Sign documents and other legal instruments other than where covered by financial or personnel authority.

4.1.4. No Delegation of Responsibility

Although subordinate staff may have been given a delegated authority, responsibility is not delegated.

Each officer is therefore, irrespective of delegated authority, responsible for action by staff under their control.

5. NGA RITENGA (Correspondence)

5.1 OVERVIEW

5.1.1 General Correspondence

This section covers internal and external correspondence.

5.1.2. Style

A basic style of correspondence, which is, that all mail within the organisation must be:

Clear and Concise

The purpose of correspondence is to pass information from one party to another in such a manner that the receiving party does not have to make assumptions as to the intended meaning.

Make sure the intended message is clear.

Correspondence should be brief enough to convey the message but not so brief that the receiving party lacks adequate information.

Free from Jargon

Parties outside Mainindustry Systems may not be aware of the meaning of jargon used within Mainindustry Systems.

Copies

If it is necessary to refer a copy of a letter (i.e. not a memorandum) to another person, this must be indicated by placing below the signature –

Cc and the name(s) of the person(s) to receive copies.

- Internal correspondence – On all copies
- External correspondence – On the second and subsequent copies.

If it is appropriate to inform the addressee that copies have been given to other parties, this should be contained in the body of the letter.

5.1.3. Enclosures

If there are any enclosures or attachments to the letter, the note **encl.** is placed below the signature.

Both the signing officer and the person enveloping the letter must ensure that all attachments are included before mailing.

5.1.4. Initial File Copy

The file copy must be initialled and dated by the preparing officer, immediately below the typewritten name of the signing officer before being handed to the signing officer.

5.1.5. File Reference

All letters, memoranda and notes for file must show the correct file reference.

5.1.5. Use of Letterhead

All correspondence, other than internal correspondence, must be on Mainindustry Systems letterhead.

5.1.2. Standard Format for External Letters

See Appendix: 01

5.2 SIGNING AUTHORITY

5.2.1. Signing on Behalf

Where it is necessary for an officer to sign **on behalf** of another officer, the word **for** must precede the title of the officer on whose behalf the officer is signing e.g.

(officer's signature)
for Chief Executive

5.2.2. Stamped Signature

Stamped signatures must not be used under any circumstances.

5.2.3. Signed Official File Copy

The final official file copy of correspondence must be signed by the officer who signs the original copy.

A photocopy of the original signed copy satisfies this requirement.

5.3. STAFF MATTERS

All correspondence relating to staff matters must be marked: *STAFF IN CONFIDENCE*

6. NGA KAPE WHAKAAHUA (Photocopying)

6.1. OVERVIEW

This section explains some of the basic rules to be observed on photocopying and the care and maintenance of photocopy equipment.

6.1.1. Care and Maintenance

There are some simple rules to avoid damage, which should be part of training.

Ensure that clips or other small metallic objects do not scratch the plate-glass or drop into the machine.

Do not remove any parts or modify the machine in any way.

Clean only with non-paint solvent or thinners.

Machine should be turned off when the last person is leaving the building.

7. NGA MERA/WAEA WHAKAAKUA/KERERE (Mail/Fax/Courier)

7.1. OVERVIEW

7.2. Mailing Methods

There are several ways of sending mail:

- Normal post
- Internal mail
- Courier
- Facsimile

7.1.2. Preferred Option

The method of sending mail will depend on the circumstances, having regard to urgency, type of mail and cost.

The most convenient option may be substantially more costly than the logical alternative.

7.2 FACSIMILE

7.2.1. Original Document to Follow Fax

When sending important documents by fax, always follow up by sending the original.

This applies particularly where, legally, the original document is required (e.g. legal documents, invoices)

7.2.2. Large Documents

Large documents should, wherever possible, be sent by courier rather than faxing as:

- It is less costly
- It does not tie up the fax machines at both ends
- If it is important, it will be necessary to courier the original document also
- A large document may not fax clearly.

7.3 COURIERS

7.3.1. Courier Services

Large (or numerous amounts of) parcels are often better sent by courier.

8. TELEPHONES

8.1. OFFICE TELEPHONES

8.2 Personal Calls

Do not make personal calls from the office unless absolutely necessary.

8.1.2. Answering Outside Telephone Calls

When answering outside calls, the greeting is:.....

8.1.3. Personal Toll Calls and Faxes

Personal toll calls and faxes require authority from the controlling officer.

The cost of a personal toll call or fax is a charge against the staff member.

9. NGA HIKOINGA (Travel)

9.1 OVERVIEW

9.1.1. Scope

This section covers travel within New Zealand.

9.1.2. Authorisation

Officers required to travel as a part of their duties must complete a travel itinerary and a Travel Authority Form (*see appendix: 02*) including all flight times, rental car details etc.

9.1.3. Travel Bookings

The Administration/Booking Officer will book the travel in the most cost effective manner.

9.1.4. Corporate Rates

Hotels, which offer corporate rates, must be used where convenient.

10. NGA WAKA (Vehicles)

10.1.1. Scope

This section covers policies and procedures for Mainindustry Systems vehicles and the use of private vehicles for Mainindustry Systems business.

The purpose of this section is to ensure that:

- Full, proper and economical use is made of motor vehicles.
- Employees are protected in the case of an accident.

10.1.2. Application

This section applies to all employees.

10.2. USE OF MAININDUSTRY SYSTEMS VEHICLES

10.2.1. Authorisation to Use Mainindustry Systems Vehicles

Vehicles may be used only where there is proper authorisation.

Drivers must register their driving licences with appropriate authority before they are authorised to drive a vehicle.

10.2.2. Authority to Take Vehicles Home

Vehicles may be taken home overnight **only** where previously authorised.

Good reasons must exist for such authority (e.g. a work related meeting outside normal office hours).

10.2.3. Fringe Benefit Tax

Fringe benefit tax is payable when the vehicle is available for private use, including at home garaging.

10.3. VEHICLE CARE & MAINTENANCE

10.3.1 Routine Maintenance

Administration Officers are responsible for ensuring that:

- Routine maintenance is carried out
- Warrants of Fitness, CNG or LPG certificates are current

Drivers are responsible for ensuring that:

- Oil and water is checked regularly.
- The Administration Officer is immediately advised of any problems with a vehicle.

All vehicles must be serviced to the specification provided by the manufacturer.

10.3.2 Care of Vehicles

Administration Officers are responsible for Mainindustry Systems vehicles.

Employees who are allocated vehicles as part of their employment agreement are responsible for ensuring the vehicle under their control is:

- Properly cared for (regular wash and vacuum etc)
- Operated efficiently (regular oil checks etc)
- Maintained to a good standard (5,000km checks etc)
- Holding a current warrant of fitness and registration.

Employees authorised to take vehicles home must ensure their safety and security, with off-street parking and, if possible, garaging.

10.3.3. Vehicle Garaging and Parking – Work Related

Arrangements must be made for the secure overnight garaging/parking of vehicles.

Authorising Officers may approve the parking of a vehicle at an employee's home in the following circumstances:

- To avoid unnecessary journeys by officers before they commence duty.
- Where there are frequent emergency call-outs.
- Where the employee has irregular hours of work.
- Where the employee needs a vehicle to transport heavy equipment required for the performance of official duties.
- Where the vehicle is stored in a garage or carport, which gives adequate protection against the weather.
- Where the vehicle is brought to Mainindustry Systems only on the days that it is needed.

10.3.4. Quarterly Fringe Benefit Return

A quarterly fringe benefit return must be completed by the Administration Officer refer **20.3.3.**

To enable this return to be completed, a diary must be maintained by the Administration Officer recording those days when there is on private use of the vehicles.

10.4 ACCIDENTS, MISUSE, FEES & FINES

10.4.1. Accidents

Any accident, however minor, whether to a fleet vehicle or a hire vehicle must be reported.

If there is any injury, the accident must be reported to the Police.

Staff must be advised that they must not admit liability, nor make any promise of payment to any other party.

Where a vehicle is damaged beyond repair, or alternatively the repairs are too expensive, a case must be put forward for write off.

10.4. More than One Accident

Where an Officer is consistently involved in accidents, and the officer is at fault, authority to drive a Mainindustry Systems vehicle must be reviewed.

Officers who have more than one accident in a year must be instructed to attend a Defensive Driving Course.

10.4.3. Misuse of Vehicles

Misuse includes:

- Unauthorised journeys
- The carrying of unauthorised passengers
- Careless or dangerous driving
- Breach of traffic laws and regulations

Misuse by all levels of staff is treated as misconduct, and serious misconduct may lead to suspension, discipline or dismissal under the employee's agreement.

10.4.4. Fees and Traffic Offences

Refunds of parking meter money may be given.

Drivers are **personally** responsible for fines resulting from breaches of traffic law and regulations.

If a vehicle is towed away from an unauthorised parking zone, and damaged in the process, the driver will be required to meet all cost repairs and tow-away fees.

10.5. USE OF PRIVATE VEHICLES

10.5.1. Authorisation

Officers with delegations and above may authorise the use of private vehicles.

- Where no fleet vehicles are available and,
- Use of a private vehicle is the most cost-effective alternative.

10.5.2. Reimbursement of Costs

Costs are reimbursed on the basis of

- The current mileage rates or,
- The equivalent fare for land-based transport

When the approval is given to use a private vehicle, the Approving officer must specify which basis applies.

Claims for reimbursement must include

- Places visited
- Dates and times of arrivals and departures
- Distance travelled on the journey, which is the subject of the claim, and total distance run on official business.
- Make of car – including engine capacity.

10.5.3. Damage to Property

Mainindustry Systems accepts no liability for damage to the vehicle, or any other property, when a private vehicle is being used on official business.
Staff must be advised to ensure their personal insurance covers business use.

10.6. HIRE OF VEHICLES

Authorised personnel may hire vehicles where this is the most cost – effective option.
Insurance cover is offered under the Vehicle Hire Agreement.

10.7. REPLACEMENT & TRANSFER OF VEHICLES

10.7.1. Vehicle Replacement

As a general policy, vehicles are replaced when three years old or 80,000km, whichever occurs first.

When vehicles are nearly three years old, or are nearing 80,000km, advise the Administration Officer supplying full details of the condition of the vehicle.

Written approval is required from the appropriate authority for the replacement of vehicles.

10.7.2. Disposal of Vehicles

Disposal action, can either be as a trade in when purchasing new vehicles, by auction, or by tender.

10.7.3. Transfer of Vehicle

When a vehicle is transferred from one regular driver to another the Administration Officer must be advised.

- The name of the former user
- The name of the new user
- The registration number of the vehicle transferred

10.8. DRIVERS LICENCES

10.8.1. Full Licence Required to Drive Mainindustry Systems Vehicles

As a general rule, all regular drivers of Mainindustry Systems vehicles must hold a full driving licence.

10.8.2. Restricted Licence – held more than 12 months

If a restricted licence holder, due to urgency or position, is required to drive a Mainindustry Systems vehicle, then the terms and conditions of the licence restriction must be satisfied in full.

10.8.3. Restricted Licence – held less than 12 months

A restricted licence holder who has held the licence for less than 12 months is not permitted to drive a Mainindustry vehicle.

11. WHAKAHAERE WAAHI (Property Management)

11.01. Standard of Accommodation

All staff are to be housed in accommodation that meets the minimum standards of the State Sector Act, 1987

The general upkeep, cleanliness and tidiness of the working space is important for the morale of staff.

11.02. Building Maintenance/Cleaning

Building Maintenance is the responsibility of the Administration Officer who should ensure that routine repairs and maintenance are carried out as and when required.

Office cleaning must be carried out on a daily basis.

12. TE WAAHI OHOTATA (Civil Defence & Emergency)

12.1. OVERVIEW

12.1.1. Scope

This section covers the preparation for emergencies and the procedures to be carried out in the vent of an emergency.

12.1.2. Data Backup

Although not covered in this section, the regular backup of data is an integral part of preparation for emergencies.

13. TE WAAHI OHOTATA KATOA (Civil Defence & Emergency Procedures)

13.1. CIVIL DEFENCE

13.1.1. First Aid Equipment

Sufficient quantities of first aid equipment must be provided in the office and reviewed monthly.

A staff member with first aid knowledge, must be made responsible for fully maintaining the first aid equipment.

Advice on the appropriate level of supplies, is available from the local Red Cross or Civil Defence office.

13.2. EMERGENCY PROCEDURES

13.2.1. Bomb Threat

The National Centre Bomb Threat Data Card (available from Police Headquarters) must be provided to staff. All staff must be familiar with the instruction.

13.2.2. Earthquake

- Move away from windows.
- Take shelter under doorways or solid furniture
- If instructed to vacate – follow evacuation procedures.

13.2.3. Evacuation of Building

In an emergency, follow the directions you have been instructed and trained in what to do in the event of an emergency.

In buildings with multiple tenancies, Administration Officers must liaise with other tenants to ensure these procedures are followed.

Administration Officers must ensure that copies of local evacuation floor plans are provided to all staff.

13.2.4. Fire Alert Procedures

If you discover fire:

Activate the nearest alarm.

If possible, use the fire extinguisher to put out the fire.

Phone the Fire Brigade and Evacuate building.

14. NGA TAONGA WHAKATIKATIKIA (Fixed Asset Register)

14.1. OVERVIEW

14.1.1. Scope

This section covers the acquisition, recording, and control of fixed assets.

14.1.2. Restructuring

The selling, lending or moving of Mainindustry Systems fixed assets to another location requires the approval of the appropriate authority responsible for the asset in question.

14.2. FIXED ASSETS REGISTER

14.2.1. Definition of a Fixed Asset

The New Zealand Society of Accountants Statement of Standard Accounting Practice (SSAP) 28 defines Fixed Assets as non-current assets that:

- Are held for use in the production or supply of goods and or services, for rental to others, or for administrative purposes and may include items held for the maintenance or repair of such assets, and
- Have been acquired or constructed with the intention of being used on a continuing basis, and
- Are not intended for sale in the ordinary course of business.

14.2.2. Function of Fixed Asset Register

To identify the existence and location of fixed assets.

14.2.3. Recording of Assets

All assets are recorded in the Fixed Asset Register at cost (GST exclusive).

14.2.4. Minimum Value Recorded

All values recorded exclude GST.

The Fixed Asset Register records assets costing \$200 or more (excluding GST)

14.2.5. Transfer of Assets

The Fixed Asset Register must be promptly adjusted to reflect transfers.

14.3. DISPOSAL OF ASSETS

14.3.1. List of Surplus Assets

A list of assets, which have been tagged for disposal will be maintained quarterly by the Administration Officer.

The procedure for disposal is set out in this section.

14.3.2. Asset Check

A regular physical check must be made of fixed assets and compared with those recorded in the fixed assets register.

Any discrepancies, which includes fixed assets.

- Not recorded in the fixed assets register
- Shown in the fixed assets register but which cannot be found during the physical check.
- Incorrectly described in the register, must be reported to the appropriate authority.

14.3.3. Asset Disposal Policy

Assets of a typical office consist of higher dollar items such as:

- Motor vehicles
- Photocopiers
- Fax machines
- Computer equipment

Together with a multitude of minor value items ranging from calculators to desks, chairs and large cabinets.

It is important to distinguish between:

- Those items on the Fixed Asset Register which generally cost over \$1,000, and
- Those items, which have been purchased from office requisites and are not on the Fixed Asset Register.

On completion of the asset check the disposal options are to be followed as listed below:

- Administration Officers are to obtain independent valuations of the assets (from Turners Auctions or other reputable organisation) and tender the items for sale.
- Tenders may, at the discretion of the appropriate authority, be made in the first instance.
- Where assets are sold to staff, ensure that the Asset Disposal Policy has been properly worked through, and the assets are truly surplus.
- The sale is to be at market value, not book value.
- At least three valuations must be obtained for any asset sold to staff and only the highest quote may be accepted.

15. NGA NAMA (Accounts Payable)

15.1. DELAYS IN PAYMENT

15.1.1. Checking on Delivery

Persons taking delivery of goods are to check the descriptions and quantities received, with the details shown on the Goods and Services Order Copy or invoice. This may involve the opening of packages or cases but this must not delay the check.

15.1.2. Prompt Clearance of Invoices

Administration Officers are required to attach all supporting documentation, for example, travel authority, goods and services order noting that the goods have been received.

Please note the following:

- Payment will only be made on production of a Tax invoice or in accordance with **20.4.4.** and **16.1.6.**
- Payment will not be made on faxed or photocopies of invoices.

15.1.3. Overdue Accounts

Overdue accounts are defined as invoices for which:

- A supplier has issued a reminder notice,
- Written and verbal queries have been received from suppliers.
- Regarding non-payment of invoices.
- Balances outstanding for more than 30 days are indicated on the Statement of Account furnished by a supplier(s).

Action on receipt of reminder notices from suppliers stating and account is overdue:

- Check the account has not been paid and note on overdue invoice “I certify that this account has not been paid in part of full”.

15.1.4. Review of Unpaid Accounts

Internal control procedures require that provision be made for regular review of all unpaid accounts. The Administration Officer is responsible for ensuring URGENT ACTION is taken to clear unpaid accounts.

15.1.5. Cheque Security

Ensure all cheques are held/stored in safe custody.

HE PUKAPUKA TURANGA MO NGA PUTEA ME NGA WHAKAHAERE

15.2. PETTY CASH

²⁹ Copyright Mainindustry Systems

³⁰ Copyright Mainindustry Systems

15.2.1. Definition of Petty Cash

- Available for the purchase of urgent minor supplies e.g. tea, coffee, milk, morning teas, stationary items, etc, and,
- Payments to suppliers who will not accept Goods and Services Orders e.g. cash only basis such as supermarkets and New Zealand Post.

The maximum allowable on each petty cash voucher is \$50.00.

Under no circumstances are petty cash vouchers to be split to fall within the maximum permissible.

15.2.2. Administration Manager Responsibilities

The Manager Officer is responsible for:

- The disbursement and request for reimbursement of Petty Cash in accordance with these instructions.
- Conducting regular checks of cash held against balances in the petty cash register. And discrepancies must be reported to the Authorising Officer(s).
- Authorising on the Petty Cash Voucher each payment from petty cash.
- Conducting weekly checks, at irregular intervals, of the petty cash register, petty cash voucher file and cash held.
- Obtaining reimbursement of petty cash float.

15.2.3. Request for Petty Cash

All requests for petty cash must be completed and approved on the Petty Cash voucher **PRIOR** to the issue of cash.

Receipts for all purchases must be obtained.

15.2.4. Approval

All requests for petty cash are to be approved by the appropriate authority.

15.2.5. Custody and Security

Petty cash funds are to be held in a lockable cash-box and held in safe custody (e.g. a fixed lockable cabinet or safe) by the Petty Cash Officer.

15.2.6. Petty Cash Voucher – See Appendix No: 03

Purpose

To record receipts, nature of expenditure, approval and charge codes.

Completion

The authorised and approved voucher must be received PRIOR to the issue of cash.

The voucher must be signed and dated by the Officer receiving the cash and receipts must be returned to the Petty Cash Officer on completion of purchase.

After purchase, the Petty Cash Officer must:

- Attach all receipts to the voucher.
- Complete purchase details and amounts on the voucher.
- File the voucher and receipts in voucher number order in the Petty Cash Voucher File.

If cash change is returned:

- The amount must be entered, in red, in the petty cash register, cross referenced to the original voucher number and the appropriate adjustment made to the running balances.
- The amount is entered and dated on the petty cash voucher.

15.2.7. Petty Cash Register

Purpose

To provide a record of disbursements, reimbursements and running balance of petty cash held.

The Petty Cash Register is maintained by the Petty Cash Officer.

Immediately following receipt of the approved Petty Cash Voucher and cash being issued the appropriate entries must be made in the register.

15.2.8. Format

See Appendix No: 04

15.2.9. Preparation of Reimbursement

The Petty Cash Officer must:

- Sort the petty cash vouchers in voucher number order and attach an adding machine tape of the total.
- Prepare a summary showing Petty Cash Voucher numbers, particulars, and amounts to be charged.
- In the petty cash register, enter in red, the date of the reimbursement, petty cash voucher series reimbursed, amount of the reimbursement. The running balance is not amended till the reimbursing cheque is received.
- Forward the request for reimbursement, summary and all petty cash vouchers and receipts to the appropriate authorising officer for processing of the payment.

15.3 OVERSEAS PAYMENTS

15.3.1. Method of Payment

Payment may be made by either:

- Overseas Telegraphic Transfer – in cases where the supplier requests payment be made to a bank account, or
- Bank Draft – to be posted to the supplier’s address.

16. TE RARANGI UTU (Payroll)

16.1. Income Tax Act

Under the Income Tax Act 1976 and Regulations, tax deductions must be made from payments for salaries and wages and from those payments which fall under the Income Tax (withholding payments) regulations.

16.1.2. Withholding Payment Defined

Withholding payments refer to those classes of earned income where no true ‘master and servant’ relationship exists.

Examples of withholding payments are:

- Commissions, honoraria, fees earned by entertainers, speakers.
- Payments for agricultural work; for the supply of labour in building and construction work.
- Payments to non-resident contractors.

The expenditure incurred in deriving withholding payments income is deductible, under Section 104 of the Income Tax Act 1976, only where the recipient is not an “employee”.

16.1.3. GST and Withholding Payments

Where GST shall not be included when calculating the withholding tax deduction. The payer would hold a tax invoice issued by the supplier (payee) under Section 24 of the Goods and Services Act 1985 before the withholding tax is calculated on a GST exclusive basis.

16.1.4. Cleaning Contracts

Payments made to cleaning contractors for the

- Cleaning of office, business, institutional or other premises, or
- Cleaning of windows, or
- Laundering of plant, vehicles, furniture furnishings, fittings, or equipment

Are withholding payments and tax should be deducted at the rate of 20% except in the following circumstances:

- When the work is done for a householder in or around the home, or
- When the contractor is a limited liability company, or
- When the contractor produces a current certificate of exemption (IR 118).

16.1.5. Inland Revenue Guidelines

Inland Revenue uses the following guidelines to determine whether a person who receives withholding payments is an employee.

If the recipient is employed on the basis that a salary or retainer or fixed remuneration is received in addition to a commission, the total remuneration is taxed as ‘salary or wages’.

An employer/employee relationship exists and therefore the recipient is not able to claim expenditure under Section 104 of the Income Tax Act 1976.

16.1.6. Exemption from Tax Deductions

Payments of PAYE, to the Inland Revenue Department, are processed by the 45th and 20th of the month –i.e.:

Period ended 1st to 15th

PAYE due 20th of the next month.

Period ended 16th to month end

PAYE due 5th of the next month

The Inland Revenue form IR 66N – PAYE Deductions, must be completed for each payment and forwarded to the appropriate Inland Revenue Office by due date.

16.2 TIMESHEETS

16.2.1. Completion of Timesheets

Timesheets are required to be completed on a daily basis and are for a weekly attendance period. All timesheets are to be initialled by each Employee and are to be handed to the Manager each Monday.

The Employee timesheet to be used is to be found at Appendix: 05.

16.2.2. Leave Provisions

All Employees will be entitled to such leave as is set out in their contract of employment and any leave taken – Annual, Sick, Tangihanga or Special Leave will be recorded on the timesheet in the are provided.

16.2.3. Attendance at Workshops

From time to time, employees will be required to run and attend workshops as directed by the Manager of Mainindustry Systems. The facilitator is required to complete an attendance sheet for all workshops.

The Attendance sheet and Facilitators Comment Sheet are to be found at Appendix: 06.

17.1. NGA TOHU UTU (Receipts)

17.0.1. Issue of Receipts

Receipts must be prepared promptly for all payments received.

The original copy of the receipt must be retained in the receipt book unless:

- Payment is made in cash, or
- Payment is made by postal cheque, or
- The payer requests a receipt.

17.0.2. Change for Cash Receipts

Change must never be given on cheques

17.1. CHEQUES

17.1.1. Receivers Liability

If loss occurs through failure to observe these instructions, the employee accepting the cheque will be liable to make good any resulting loss.

17.1.2. Cheques and Other Negotiable Instruments to be crossed.

All cheques, money orders, or other negotiable instruments must be crossed 'Not Negotiable' immediately on receipt.

17.1.3. Scrutiny of Cheques and credits

Every cheque received must be closely examined to ensure that:

- The words and figures agree
- It is correctly dated, i.e., not post-dated or stale (more than six months old).
- It appears to be properly signed
- It is correctly endorsed (if required)
- It is not drawn or crossed in such a manner that it cannot be lodged to the correct bank account.
- Alternations are correctly initialled/signed.

18. WHAKAHAERE MONI (Control of Cash)

18.1. CONTROL OF OFFICIAL MONEY

18.1.1. Non-Public Money

Cashiers **must not** control non-public money.

18.1.2. Custody of Official Money and Documents

Employees required to hold cash, or negotiable documents of any kind are responsible for taking every precaution against loss.

Cash and negotiable instruments must be securely locked up when not required in a safe or strong room.

18.1.3. Conveyance of Cash

Conveyance of cash, in excess of \$500, outside office premises (e.g. to or from the bank), must be under the control of **two** officers.

18.1.4. Public Money Kept Separate

The mixing of public and private money is prohibited.

Private cheques **must never** be cashed from official money.

18.1.5. Accepting Control of Money

It is the responsibility of an employee accepting control of money to ensure, in the presence of the person from whom they receive control, that the correct money, for which they are to be accountable, has been handed over.

18.2. ACCOUNTING FOR MONEY RECEIVED

18.2.1. Counter Receipts

The Cashier must, immediately:

- Cross cheques, postal notes, money orders and other negotiable instruments **NOT NEGOTIABLE.**
- Enter the details in an Inwards Remittance Book.
- Issue official receipts and
- Note the Inwards Remittance book with the receipt number.

18.2.2. Inwards Remittance Book – Definition

The Inwards Remittance Book is maintained and held by the Cashier.

The procedures regarding the operation of the Inwards Remittance Book must be strictly complied with.

An inwards Remittance Book is used to record all:

- Cheques
- Cash, and/or
- Monetary remittances

Received through the mail.

All inward mail must be opened except in the following circumstances:

- Mail which is clearly marked personal, confidential and/or mail which is marked ‘C/- Mainindustry Systems’.

Legal Documents and other valuables must be entered in Documents Register and will be handed to the appropriate Officer and initialed for by that person.

18.2.3. Inwards Remittance Book – Details Required

Each entry must be initialed by the two Officers opening the mail.

The following details are required:

- | | |
|----------------------|---|
| • Date | Date mail is received and opened. |
| • Cheque Particulars | Who the cheque is from. |
| • Bank | Bank the cheque originates from. |
| • Branch | Branch the cheque originates from. |
| • Cheque Number | First set of numbers on the bottom left. |
| • Amount | Value of cheque. |
| • Open | Initials of Officer opening the mail. |
| • Received | Initials of second Officer checking the mail. |
| • Remarks | Receipt number, handed to and/or transferred details to be entered by Cashier. Cheques removed from Cashiers custody must be signed for by the recipient. |

18.2.4. Daily Remittance Summary

At the end of each day the following exercises must be carried out:

- The amount of unbanked remittances from the previous day are agreed with the corresponding items on the previous day’s summary.
- The remittance totals for the day are agreed with the totals in the Inwards Remittance book.
- The banking amounts are verified from the receipted deposit book butts.
- The amount of remittance returned, or transferred unreceipted, are checked in detail against the appropriate items in the Inwards Remittance book.
- The amount of unbanked remittances at the end of the day are verified by:
Counting the actual remittances on hand, and,
Checking these off against all uncleared entries in the Inwards Remittance book.
- The totals for cash handled and accounted for, are agreed.

19. NGA HOKONGA (Purchasing)

19.1. OVERVIEW

19.1.1. Basic Requirements

When issuing instructions for the purchase of goods or services, it is essential that the following requirements are met:

Operational

Goods or services purchased must meet user requirements and be delivered to the right place at the right time.

Financial

The cost of the goods and/or services must be within budget and be correctly accounted for.

19.1.2. Goods and Services Order Form

The Goods and Services order form must be used when purchasing goods and services from suppliers.

19.1.3. Mainindustry Systems Property

Furniture, machines, tools, motor vehicles, buildings, fuel, EDP equipment, office appliances, equipment and articles of a non consumable nature.

19.1.4. Stores

Includes all articles and supplies of a consumable or non-consumable nature purchased, and which are necessary to carry out the activities of Mainindustry Systems. The term includes unserviceable articles, whether old or new, which may or may not possess a value to Mainindustry Systems and includes:

- Building materials,
- Furniture,
- Stationery,
- And fittings.

19.1.5. Classification of Stores

Stores are classified either **consumable** or **non-consumable**.

Consumable stores are those which are used up or lose their identity in first application.

Non-consumable stores are those which can be used repeatedly before being worn out and discarded.

19.1.6. Responsibility of Purchasing Officer

The Purchasing Officer is responsible for:

- The efficient management, economical control, recording and general control of work concerning the purchasing procedures within Mainindustry Systems.
- The purchase, receipt, custody, issue, disposal and inspection of stores.
- Ensuring that all purchases are made in accordance with Mainindustry System Instructions.
- The custody and completeness of records including the Fixed Asset and Attractive Items Registers.

All employees having custody of, or handling, stores are the officers responsible for the safety of those stores – includes stores forms and records.

All employees purchasing or using stores must recognise that stores represent a direct cash outlay – officers must therefore guard against damage, waste or loss.

19.1.7. Goods and Services Order – Purchases to be Made

Goods and Services orders must be used for all purchases of:

Services includes:-

- Maintenance or furniture and fittings, buildings and vehicles.
- Hire of equipment.

Goods – all goods and stores over \$50.00.

19.1.8. Goods and Services Order – Restrictions on Use

The following restrictions apply:

Services

Not to be used for services supplied under formal contract.

Goods

Invoices not exceeding \$50.00 in total do not require a Goods and Services Order.

19.1.9. Form Completion

Purchasing Officers must stamp their Office postal and street address in the top right hand corner of the supplier's copy.

Goods and Services orders must clearly state:

- Supplier name and address.
- Specific description of services or quantities of goods required.
- Correct and full-delivery and required by instructions.
- Price/quotes.
- Discounts provided for under the supplier contract.

The order must be:

- Authorised in accordance with approved levels of financial delegations and budgetary restraints.
- Ruled off after the last entry and a diagonal line ruled through any unused space (to prevent the addition of further items).

Continuation sheets must be completed where necessary and signed after the last entry.

All orders are to be completed in pen and all errors are to be ruled out and corrections entered and initialed. (Twink is not be used).

19.1.10. Goods and Services Order – Unpaid File

The Unpaid File must be set up and maintained by the Purchasing Officer. This file will contain copies of all Orders issued for which invoices from suppliers have not been received.

The following copies of the Goods and Services order are to be filed in alphabetical order, according to supplier name.

19.1.11. Monthly Review of Goods and Services Order – Unpaid File

The Unpaid File must be reviewed monthly, by the Purchasing Officer/Authorising Officer, to ensure.

- Invoices not received after on month from date of receipt of goods and/or services have been followed up with suppliers.
- Goods and/or services have been received and the Order has been signed where required.
- Packing slips, where applicable, are attached.

If supply of goods and/or services is not available, the supplier is to be notified of cancellation and the order must be cancelled and filed on the Goods and services Order – Master File.

If an alternative source of supply is sought a new Goods and Services Order must be raised in accordance with the procedures outlined in this sub-section.

19.2. RECEIPT OF GOODS AND/OR SERVICES

19.2.1. Checking on Receipt

The Officer receiving the Goods or Services must:

Goods

- Check goods immediately on delivery.
- Any deficiency in quantity or quality must be reported immediately to the Purchasing Officer.
- Sign and date the ‘Certified goods/services received’ entry on the Goods and Services order form held by the Purchasing Officer. The packing slip is to be attached to these copies and held on the Goods and Services – Unpaid File.

Services

- Check services supplied have been satisfactorily completed.
- Any deficiency in quality must be reported immediately to the Purchasing Officer.

An Officer giving a receipt for stores and/or services will be held responsible for the correctness of those purchases.

19.3. PAYMENT

19.3.1. Checking of Invoices

Before passing invoices for payment the following checks must be made by the Purchasing Officer:

- Order has the appropriate approval.
- Goods and Stores Order has been signed, and dated, for receipt of the goods or services.
- All goods or services on the Order have been received.
- The goods/services invoiced agree with those ordered.
- Prices and conditions quoted on the invoice agree with the order.
- Any errors and alterations have been initialed.

20. NGA MOMO KE (Miscellaneous)

20.1. TIROHANGA

This section contains details of those topics and policies of a general financial and accounting nature, not covered elsewhere in this Manual.

20.2. KOHA

20.2.1. PAYE and GST Implications

Koha can be defined as an unconditional gift and for this reason Inland Revenue have excluded koha from PAYE and GST.

A copy of the Inland Revenue publication on Koha should be held in the Office.

20.3. FRINGE BENEFIT TAX

20.3.1. Definition

Fringe benefit tax applies to fringe benefits granted to employees.

A fringe benefit is any benefit received by an employee. The main categories on which Fringe Benefit Tax is payable by Mainindustry Systems are:

- The private use or enjoyment of motor vehicle and/or the availability of such a motor vehicle for private use or enjoyment by an employee whether the vehicle is owned, leased or rented by Mainindustry Systems or some other person.
- Low interest loans, provided to employees by reason of their past, present or future employment, (including mortgage subsidies).

20.3.2. Payment Dates

Fringe Benefit Tax is due each quarter ending on 30th June, 30th September, 31 December and 31 March, and is payable by the 20th of the following month.

20.3.3. Calculation of FBT – Motor Vehicles

The formula to be used to calculate Fringe Benefit Tax payable on motor vehicles is:

- The number of days during the relevant quarter, on which the benefit occurred, reduced by the number of days (if any) when the motor vehicle is a work related vehicle, or
- The number is 90.

Where Z is 6% per quarter, or 24% per annum (as the case may be) of

- The cost price of the vehicle, (GST inclusive), or
- Where the vehicle is not owned by the Ministry, of the market value of the vehicle on the day on which the lease or rental period commenced.

If the vehicle used is not owned by the Ministry, of the market value of the vehicle on the day on which the lease or rental period commenced.

If the vehicle used was from a general pool of vehicle, it is on the vehicle primarily used.

TR equals Tax Rate.

Current fringe benefit tax rate is 49 cents in the dollar.

20.3.4. Examples of FBT Calculation on Motor Vehicles

(a) If the Mainindustry Systems purchases a work vehicle for \$45,000 (GST inclusive) and the vehicle is:

- Assigned to a person to take home at night, and
- Used for purposes other than business every day of the year, then fringe benefit tax per quarter is calculated as follows:
90 days x (0.06 x \$45,000) divided 90 x 0.49 equals FBT payable of \$1,323.

(b) If Mainindustry Systems purchases a work vehicle for \$45,000 (GST inclusive) and the vehicle is:

- Not available for purposes other than work business, and
- Is to be garaged on the employer's premises,

There is no fringe benefit tax payable.

(c) If Mainindustry Systems purchases a work vehicle for \$45,000 (GST inclusive) and the vehicle is:

- Used three days during the quarter for private use (as opposed to work related activities)

Then fringe benefit tax for the quarter is calculated as follows:

(3 days x (0.06 x \$45,000)) divided 90 x 0.49 equal FBT payable of \$44.10.

20.3.5 Fringe Benefit Tax Records – Motor Vehicles

- *Motor Vehicle Provided to an Employee*

The formula used to establish the value of that fringe benefit requires the following details to be recorded:

- Cost price or market value of the motor vehicle.
- Number of days available for private use.
- Employee contributions (if any)

- *Cost Price of Motor Vehicle (GST Inclusive)*

The cost price can be obtained from the following records:

- Invoice for the purchase of the vehicle
- Invoice(s) for any extras fitted to the vehicle

- *Market Value*

Where the vehicle is leased or rented by Mainindustry Systems, market value is to be used instead of cost price.

The market value of the vehicle is to be determined on the date the lease or rental period commences and must be supported by a written valuation from a suitably qualified person.

- *Number of Days Available for Private Use*

Records required to support these details will be determined by whether or not the vehicle is made available for private use.

- Where the employer allows the vehicle to be available for private use every day, fringe benefit tax is liable for every day.
- Where the employer does not make the vehicle available for private use, the vehicle must be garaged on the employer's premises and the following records are required:
 - Copy of advice to the employee stating that the vehicle is not available for any private use.
 - Written record of the periodic checks carried out on the employer's garaging facility to ensure the vehicle is not taken home.

20.4. GOODS & SERVICES TAX

20.4.1 General

Goods and Services Tax is governed by the rules and regulations contained in the Goods and Services Tax Act 1985.

Goods and Services Tax (GST) is an indirect tax which is imposed on each sale (supply) of goods and services starting from the beginning of the production cycle and finishing with the sale to the final (domestic) consumer.

Goods and Services Tax (GST) which is paid on the purchase of Goods and/or Services is able to be offset against GST charged on Sales, only if the business or person is registered for GST purposes.

The differential between GST payable on Outputs (Sales) and GST receivable on Inputs (purchases) is to be either paid to, or received from the Department of Inland Revenue.

20.4.2. GST Rate

Goods and Services Tax was implemented on 1st October 1986 at a rate of 10%.

The current rate of GST is 12.5%.

20.4.2 Registration for GST

The Goods and Services Tax Act 1985 provides for the registration of persons who sell goods and or services in the course of a taxable activity.

Taxable activity is any activity, which is carried on continuously or regularly and involves, or is intended to involve, in whole or in part, the supply of goods or services to any other person for a consideration.

20.4.4. Exceptions

The term taxable activity does not include:

- Private recreational pursuits or hobbies.
- Employment under a contract of service including the directorship of a company, or the membership of any statutory board, council committee, or other body.
- The making of exempt supplies.

20.4.5. Who is Required to Register for GST

Every person involved in a taxable activity where the total value of supplies made in that month and the 11 months immediately following that month in the course of carrying on all taxable activities has exceeded **\$30,000**.

20.4.6. Payment of GST

Payment of GST is required to be paid when the GST return is filed, and only when the GST charged on Outputs (Sales) exceeds the GST paid on Inputs (Purchases).

20.4.7. Penalties for Late Payment

The Department of Inland Revenue is entitled to charge the following penalties on late payment.

- 10% for the first month the return is outstanding, and
- 2% for every month thereafter that the return is overdue

20.4.8. GST Refunds

GST refunds occur when the amount of GST received on Outputs (Sales) is less than the amount of GST paid on Inputs (purchases). The Department of Inland Revenue is required to refund monies owing by the IRD within 15 days from the date on which the return was received by the IRD.

20.4.9. Tax Invoice Requirement

A tax invoice is required to contain the following particulars:

- The words Tax invoice in a prominent place.
- The name and registration number of the supplier.
- The name and address of the recipient.
- The date on which the tax invoice was issued.
- A description of the goods and or services supplied.
- The quantity or volume of the goods and services supplied.
- Either:
 - The total amount of the tax charged, the consideration excluding tax, and the consideration inclusive of tax for the supply, or
 - Where the amount of the tax charged is the tax fraction of the consideration, the consideration for the supply and a statement that it includes a charge in respect of the tax.

20.4.10. Tax Invoice Exceptions

Where the amount paid does not exceed **\$200.00** a tax invoice shall contain the particulars specified above or the following:

- The words 'tax invoice' in a prominent place.
- The name and registration number of the supplier.
- The date upon which the tax invoice is issued.
- A description of the goods and services supplied.
-

- The consideration for the supply and a statement that includes a charge in respect of tax.

Where the amount paid does not exceed **\$50.00** a supplier is not required to supply or provide a tax invoice.

20.4.11. Retention of Records

Records are required to be kept for at least **10 years** from the end of the taxable period to which they relate.

20.5. WORKSHOPS

20.5.1. Attendance At Workshops

From time to time Employees will be required to run and attend workshops. The facilitator is required to complete an attendance record and workshop report sheet (Appendix: 06)

20.5.2. Workshop Reports

The facilitator is responsible for ensuring that a workshop report sheet is completed and a workshop report filed to the Manager within 2 days of the completion of that workshop. If necessary further notes can be attached to the workshop report sheet provided (see Appendix: 07).

20.6. OUTPUTS REPORTS

20.6.1 Whanau Information Sheets

Employees are required to assist all clients to complete the Whanau Information Sheet (see Appendix: 08). This will provide valuable information for Mainindustry Systems and will support outputs reports. All such information is to be treated with confidentiality and will not be disclosed without the permission of the client under the requirements of the Privacy Act 1993.

20.6.2. State of Work Reports

All employees are required to have input into the weekly report of activities of Mainindustry Systems. A weekly state of work report – known as the Outputs Report is to be completed by the Administration Manager (see Appendix: 09).

APPENDIX	01	Standard Format for External Letters
APPENDIX	02	Travel Authority Application
APPENDIX	03	Petty Cash Voucher
APPENDIX	04	Request for Reimbursement of Petty Cash Float
APPENDIX	05	Time Sheet
APPENDIX	06	Workshop and Attendance Sheet
APPENDIX	07	Evaluation of Workshop
APPENDIX	08	Whanau Information Sheet
APPENDIX	09	Outputs reports