**RELATED PARTY TRANSACTION PROCEDURE**

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| **Subject**: Related Party Transaction Procedure | **Department: INSERT** |
| **Procedure No: INSERT** | **Version No: INSERT** |
| **Effective Date: INSERT** | **Approved Date: INSERT** |
| **Revision Date: INSERT** | **Approved by: INSERT** |

**Purpose**

To procedure for INSERT CLUB NAME HERE, relating to approval and documentation for relate party transactions.

**Scope**

This procedure applies to Board Members, the Secretary, Members of any Committee established by the Board, or under the Constitution and Regulations, including for example any RACGP Expert Committee or the Council of Censors.

**Definitions**

**Related Party Transaction:** Any transaction, arrangement, or agreement involving related parties that may have a financial impact on the Club.

**Board Members**: These are individuals who serve on the board of directors of the Club. They are responsible for making important decisions and providing oversight.

**Secretary**: The secretary is typically a senior officer responsible for administrative tasks, record-keeping, and communication within the Club.

**Committees & Panels**: These are subgroups within the Club that focus on specific areas or tasks. In this context, they are responsible for identifying and declaring related party transactions.

**Supporting Documentation**: These are documents that provide evidence or context for a related party transaction. Examples include meeting minutes, proposals, invoices, and contracts.

**Nature and Impact**: This refers to the characteristics and consequences of a related party transaction, including its financial implications and potential effects on the Club.

**Recording/Documentation**: The process of keeping records and documents related to the transaction in an organized manner for future reference.

**Related Party Transactions Register**: A record or log that keeps track of all related party transactions, including details like approval dates.

**Reporting**: The process of disclosing related party transactions as required by regulatory bodies like the ACNC (Australian Charities and Not-for-profits Commission).

**Breaches**: Instances where the clubs's policy regarding related party transactions is violated or not followed correctly.

**Strategy to Mitigate the Breach**: A plan to address and rectify the breach, which may include corrective actions or changes to policies and procedures.

**Annual Information Statement**: A document that organizations are required to submit to regulatory bodies like the ACNC, containing key information about their activities and finances.

**Fees Paid to a Related Party**: Refers to payments made to a person or entity with a close relationship to the Club for goods or services provided.

**Salary/Wages Paid to a Related Party's Relative(s)**: Indicates payments made to the family members or close relatives of individuals associated with the Club.

**Procedure**

**Notification of a related party transaction**

1. All Board Members, the Secretary, and Members of Committees must identify any potential related party transactions that may arise in the course of their duties.
2. Identification and Declaration of Related Party Transactions through the relevant Committees & Panels (examples provided below).
3. Notification of the related party transaction is to be minute in the relevant meeting.
4. Related party transaction notification is submitted to the Board/ Management Committee, through the secretary.
	1. Supporting documentation relating to the transaction must be provided to the secretary. This could be (but not limited to):
		1. Minutes with related party transaction noted
		2. Proposal relating to related party transaction
		3. Invoices
		4. Contracts
5. The Board/ Management Committee will assess the nature and impact of the proposed related party transactions.
	1. Transactions with significant financial implications will require additional scrutiny and approval by the Board /Management Committee
	2. That the related party transaction is in the best interest of the Club and does not compromise its integrity or reputation.

**Approval**

1. The Board /Management Committee will review and approve / not approve related party transactions in align with the Policy.
2. The Secretary will minute the Board/ Management Committee approve/not approved for the related party transaction.

**Recording/documentation**

1. All documentation relating to the related party transaction should be saved in 1 folder, by the Board/Management Secretary for easy access.
2. The Secretary will update the related party transactions register with an approval date.

**Communication**

1. The Secretary will provide the outcome to the relevant personnel through email communication.

**Reporting**

1. Transactions will be reported in the Club's Annual Information Statement Submission as required by the ACNC.
	1. The register does not need to be submitted with the ACNC

**BREACHES**

1. Any concerns, potential breaches, or queries related to this policy should be reported to the Club's Board/ Management Committee, through the secretary.
2. The secretary will provide the Board/Management Committee with information relating to the breach with supporting documentation.
3. The Board will review and assess the potential breach and determine a strategy to mitigate the breach.
4. If the Board endorses the breach, this will be minute by the secretary
5. A letter will be sent to the personnel relating to the breach and the respondent can provide additional information about the breach (including documentation).
6. The Board/Management Committee can review the breach and
	1. Accept the related party transaction breach, document the related party transaction, and document the process taken
	2. Reject the breach with the personnel advised of reason why via letter correspondence
	3. The secretary must document the process taken for A & B above
7. If required, The Club may seek advice from Surf Life Saving Queensland (SLSQ) via email to ethicalstandards@lifesaving.com.au

## Examples of related transactions

* A charity’s Responsible Person is also a director of a web development company, ABC Web Pty Ltd. The charity paid ABC Web Pty Ltd to update the charity’s website. ABC Web Pty Ltd provided the service under normal commercial terms and conditions. The charity must select the transaction type – ‘Fees paid to a related party for providing goods or services to the charity’ in the 2023 Annual Information Statement.
* The daughter of a charity’s president was employed by the charity as a paid part-time finance officer. The charity must select the transaction type – ‘Salary/wages paid to a related party’s relative(s)’ in the 2023 Annual Information Statement.
* A charity paid a rent or lease payment for the office space owned by one of the members of its management committee to deliver their charitable work. The charity must select the transaction type – ‘Fees paid to a related party for providing goods or services to the charity’ in the 2023 Annual Information Statement. The charity could also include additional information, for example that the rent charged was below the market rates for this type of office space in the area.

## Related procedure instruments

[Related party transactions | ACNC](https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc/related-party-transactions)

LINK – Club Policy
LINK – Club Transaction Register