


SAAA POLICIES & PROCEDURES	
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MGT 1.2.13-000 SAAA Scholarship Trust.docm

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28 - 11 - 2018

MFIN

Purpose

To establish, grow and manage a trust ("The SAAA Scholarship Trust") that will provide for the support of activities and direct financial support to promoting and fostering the engagement and employment of young persons in the Australian aviation sector.


Scope

This policy and procedure covers:

1. Establishment, management and maintenance of operating bank account(s) and investment of the funds of the Trust
2. Appointment of an internally resourced SAAA Scholarship Trust management team (Sub-Committee)
3. Seeking sponsorship
4. Recognition of trust sponsors
5. Identifying and determining opportunities to deliver awards
6. Cash management strategy
7. Approved uses and purposes of awards to beneficiaries of the Trust
8. Approval of expenditure and awards
9. Reporting
10. Auditing

Prerequisites

1. All cash assets of the SAAA Scholarship Trust must in the first instance be held in an account(s) with a major Australian Bank and where the account name(s) includes at minimum the term "SAAA Scholarship Trust"
2. The Mgr. Finance (MFIN) must ensure that funds held in a regulated Australian bank operating account(s) are held in an account(s) that offer the most favourable outcome as a function of interest rate return, account operating costs and transaction requirements
3. All withdrawals and account transactions must be authorised by the Mgr. Finance (MFIN) IAW standing requirements for expenditure approval and supported as required by Authorisations for Financial Expenditure (AFEs) and be IAW the direction and other strategy as may be set from time to time by the SAAA Scholarship Trust Sub-Committee.
4. No withdrawals, other than for the purposes of bank account administration, may be made unless such withdrawals are in respect of approved uses and awards of awards to beneficiaries of the Trust
5. The SAAA National Council must appoint and maintain a SAAA Scholarship Trust Sub-Committee at all times that the SAAA Scholarship Trust is in existence where such sub-committee comprises the MFIN and two other SAAA Members who ideally have professional financial background and experience.

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6. The cash management strategy will be determined in detail by the SAAA Scholarship Trust Sub-Committee but must in any event conform to the following principles:
 - a. The capital base must not be reduced below a level that is capable of supporting, through investment returns, at least one meaningful award each year
 - b. The funds of the SAAA Scholarship Trust must be managed and invested IAW SAAA policy & procedure MGT 1.2.12 Management of Cash Assets and may be pooled with other funds of the SAAA or SAF in order to gain economies of scale and maximise leverage
 - c. No expenditure or awards may be made unless they comply with the approved uses and purposes of awards to beneficiaries of the trust
 - d. The Trust should as far as is available at law maintain DGR status (as Deductible Gift Recipient, the trust can receive tax deductible gifts) so to improve the efficiency of cash and asset accumulation


7. Recognition of Trust sponsors, which includes the SAAA, should be made in a form as directed and authorised by a sponsor but should in no circumstances reveal the value of sponsorship. Generally, the nature of recognition may include:
 - a. Simple publication from time to time of the name – individual or organisation
 - b. Creation of specific awards that reflect the name of the sponsor – individual or organisation
 - c. Nil – in circumstances where a sponsor requests anonymity or their to details to be kept confidential, excepting statutory reporting requirements

In circumstances where the SAAA Scholarship Trust supports activities and awards consistent with the objectives of the Trust in conjunction with another party(s), then recognition of SAAA as a sponsor of such joint activity is required in some form (other than “Nil”) as may be determined from time to time by the SAAA Scholarship Trust Sub-Committee and approved by the SAAA National Council.

8. The scope of approved uses and purposes are as follows:
 - a. Generally:
 - i. To support activities and acquire assets that promote career opportunities within the Australian aviation sector for young people
 - ii. Work with and direct funds to co-funded/sponsored/managed projects that promote activities and deliver awards that are consistent with the objectives of the Trust
 - iii. Invest funds of the Trust to derive income

 - b. And in relation to aviation sector related training as a function of course, school and similar costs and associated support costs (travel, accommodation and similar) for the following roles:
 - i. Pilot
 - ii. Engineer
 - iii. Maintainer
 - iv. Air Traffic Controller

 - c. The specific nature of any funds directed to a party(s) for approved uses and purposes should be determined by the SAAA Scholarship Trust Sub-Committee and where, in order to accord with the Rules of the Association:
 - i. A recipient of funding from the SAAA Scholarship Trust must be a student member or higher membership category of SAAA
 - ii. The funds delivered by the Trust to a recipient must be applied to reimburse the Recipient as a member of SAAA only for their costs

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incurred directly in relation to the approved purposes and financial limits of the Scholarship award


9. Reporting of the activities of the Trust must include:
 - a. All financial activities should be recorded and reported using and integrated with the standard SAAA accounting system, where the assets and transactions of the SAAA Scholarship Trust are specifically identifiable within a separate class or chart of accounts. Financial reports to be issued at same time as other financial reports are issued to the SAAA National Council
 - b. Quarterly reports, or otherwise at the discretion of the SAAA Treasurer, issued to the SAAA National Council that detail business of the Trust including receipt of donations, activities to promote youth engagement, and awards
 - c. Any specific trust related statutory reporting to regulators such as the Australian Securities and Investment Commission (ASIC) and the Australian Charities and Not-for-profits Commission (ACNC)
10. Audit of the SAAA Scholarship Trust to be conducted each year by the appointed:
 - a. SAAA internal auditor in respect of the proper application of this policy & procedure
 - b. SAAA appointed external auditor in respect of the financial conduct and regulatory compliance of the Trust

Responsibilities


1. Establishment, maintenance and management of operating bank accounts and investment of trust funds into other SAAA investment platforms - MFIN
2. Management and implementation of account transactions and approvals, and taxation matters – MFIN
3. Financial and statutory reporting – MFIN (internal) / SEC (external)
4. Appointment of the SAAA Scholarship Trust Sub-Committee – MCG through National Council
5. Promotion of the SAAA Scholarship Trust to seek sponsorship in cash or in kind - SAAA Scholarship Trust Sub-Committee
6. Setting of the cash management strategy and determining quantum of funds available for awards - SAAA Scholarship Trust Sub-Committee
7. Recognition of Trust sponsors - SAAA Scholarship Trust Sub-Committee
8. Identifying and determining opportunities to deliver awards in cash or in kind to worthy recipients of the trust - SAAA Scholarship Trust Sub-Committee
9. Quarterly, or other, activity reports to the National Council - SAAA Scholarship Trust Sub-Committee
10. Audit management – MCG (internal) / MFIN (external)

Procedure


1. Establishment, maintenance and management of operating bank accounts and investment of Trust funds into other SAAA investment platforms
 - a. With regard for anticipated account activity and day to day operating requirements, review options available from the regulated Australian banks to

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- deliver the most favourable outcome as a function of interest rate return, account operating costs and withdrawal requirements – MFIN
- b. Establish new accounts as required and / or consider replacing current currently held accounts further to review / periodic review of available options at intervals not exceeding 2 years – MFIN
 - c. Operate account transaction authorisations generally IAW standing requirements and relevant policies and procedures – MFIN
 - d. In respect of investment of Trust funds through entities other than regulated Australian banks, the relevant parts of policy & procedure MGT 1.2.12-000 Management of Cash Assets must be followed - MFIN
2. Management and implementation of account transactions and approvals, taxation matters, and financial and statutory reporting – beyond the provisions of the preceding Procedure 1:
 - a. Prior to authorising any account withdrawal, MFIN must check that such withdrawals are:
 - i. Supported by Authorisations for Financial Expenditure (AFEs)
 - ii. IAW the direction and other strategy as may be set from time to time by the SAAA Scholarship Trust Sub-Committee and
 - iii. In the case of awards to beneficiaries of the SAAA Scholarship Trust, the nature of the award is consistent with the approved purposes and uses of awards to beneficiaries of the SAAA Scholarship Trust funds.
 - b. At intervals of not more than one year, MFIN must review or delegate review of the tax position of the fund to ensure that:
 - i. The operation of the Trust is compliant with regulatory requirements
 - ii. All opportunities, such as holding a DGR status, to maximise the efficiency of the fund – internally and also in respect of sponsors / donors to the fund and beneficiaries of the fund are implemented
 - c. Establish and maintain a separate class or chart of accounts, using and integrated with the standard SAAA accounting system, to record and report all financial activities of the SAAA Scholarship Trust – MFIN (or delegate)
 - d. Issue financial reports of the fund at the same time as other financial reports are issued to the SAAA National Council – MFIN (or delegate)
 - e. At intervals of not more than 1 year, review the regulatory reporting requirements of the SAAA Scholarship Trust and in any event complete all required reporting to ensure the Trust is compliant – SEC (or delegate)
 3. Appointment of the SAAA Scholarship Trust Sub-Committee
 - a. The SAAA National Council must seek two SAAA members who ideally have professional financial background and experience appoint these two persons to join the prevailing appointed MFIN to operate SAAA Scholarship Trust Sub-Committee – MCG
 - b. In the event of any of the sub-committee members no longer being a financial member of the SAAA, the National Council must promptly seek and appoint a replacement(s) – MCG
 4. Principle activities of the SAAA Scholarship Trust Sub-Committee:

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- a. Promotion of the Trust with the objective of seeking sponsorship in cash or in kind
 - i. Use all means available through personal networks of SAAA members, SAAA industry and media affiliations, SAAA internal communications (website, member e-comms, SAAA magazine etc) and attendance at aviation events to advertise the existence of the Trust and actively seek sponsorship in cash or in kind
 - ii. Design and cause advertorial material to be published
 - iii. Develop initiatives to raise funds - such as but not limited to raffles, fund raising events, “mates taking mates for a fly”, seeking sponsorship from “ultimate clients” (airlines, aviation engineering and maintenance organisations, Air Services etc)
- b. Recognition of Trust sponsors
 - i. In the first instance, ensure that any specific requests by sponsors in respect of anonymity or confidentiality are honoured and that the relevant information is kept safe
 - ii. Excepting above, and whilst not revealing the value of sponsorship under any circumstances, recognise sponsor contributions through causing occasional publication in SAAA and public media with summary details of individual or organisation
 - iii. In circumstances where the SAAA Scholarship Trust supports activities and awards consistent with the objectives of the Trust in conjunction with another party(s), ensure suitable recognition of SAAA as a sponsor of such joint activity in some form (other than "Nil") – prior approval by the SAAA National Council required
- c. Establish and maintain a cash management strategy
 - i. Design and maintain, cognisant of changing economic conditions and dimensions of the fund (cash receipts, accumulated funds balance etc) a sustainable plan to deliver meaningful awards to beneficiaries of the Trust IAW the stated pre-requisites in this regard
 - ii. Review the cash management plan at intervals of not more than one year
 - iii. Utilise to best effect existing SAAA banking and / or investment platforms
- d. Identify and determine opportunities to deliver awards to beneficiaries of the Trust
 - i. Relying on the promotional activities, augmented as may be required through for example contacts with schools and tertiary education institutions, actively seek applications from potential beneficiaries
 - ii. Maintain a register of interested parties and a set of criteria that can be used to a) screen applicants and b) rate short-listed applicants
 - iii. Determine from time to time the nature and quantum of awards in cash or in kind to selected beneficiaries and implement delivery IAW standing SAAA policy & procedure. In case of awards “in kind”, the deemed value of the award shall be used to determine the requirements for (financial) approval

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- iv. Consider from time to time the establishment of standing awards that honour substantial sponsor contributions, and seek prior approval from such sponsor specifically around the name and definition of the award (for example “The Qantas Young Aviator Pilot Training Scholarship”)
 - e. Activity reporting
 - i. Deliver a brief activity report of the Trust to the National Council at the end of each financial quarter, or as otherwise determined by the SAAA Scholarship Trust Sub-Committee
5. Audit functions
- a. Internal audit – MCG
 - i. Appoint an SAAA member to audit the SAAA Scholarship Trust activities in respect of the proper application of policy & procedure
 - ii. To be managed IAW policy & procedure MGT 1.1.12 Internal Audit
 - b. External (independent) financial audit - MFIN
 - i. Request the SAAA appointed external auditor to consider and review the financial conduct and regulatory compliance of the Trust
 - ii. This to be conducted as part of the SAAA annual financial audit

References

1. Policy & Procedure MGT 1.1.12 Internal Audit
2. Policy & Procedure MGT 1.2.02 Manual of Authorities
3. Policy & Procedure MGT 1.2.09 Banking
4. Policy & Procedure MGT 1.2.12 Management of Cash Assets

Definitions

Acronym or Terminology	Concise definition or meaning
ACNC	Australian Charities and Not-for-Profits Commission
AFE	Authorisations for Financial Expenditure
ASIC	Australian Securities and Investment Commission
DGR status	Deductible Gift Recipient – status held by an entity that can receive tax deductible gifts
IAW	In accordance with
MCG	Mgr. Corporate Governance and if not specifically appointed defaults to the President of SAAA
MFIN	Mgr. Finance and if not specifically appointed defaults to the Treasurer
National Council	Collectively the prevailing appointed National Councillors and Office Bearers of the SAAA
SAAA	Sport Aircraft Association of Australia
SAAA Scholarship Trust, or Trust	A trust established to provide for the support of activities and direct financial support to promoting and fostering youth engagement and employment in the Australian aviation sector

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SAAA Scholarship Trust Sub-Committee	Team comprising MFIN & two other SAAA members charged with managing the delivery of the SAAA Scholarship Trust
SAF	Sport Aviation Facilities (a “sister” entity to SAAA)
SEC	Appointed Secretary of the SAAA and SAF
TREAS	Appointed Treasurer of the SAAA and SAF
Trust Sponsor	Any individual or organisation that legally makes a contribution to the SAAA Scholarship Trust