

Checklist for managing bushfire donations

For charity financial officers

The Australian bushfires have driven a wave of generosity from people all over the globe who have been captured by the images of raging fires and devastated communities. These donations have been directed to existing charities, crowd funding sites and newly established disaster relief funds.

This checklist is designed for financial officers of charities, to assist when managing these unprecedented levels of donations. The checklist is based on the more comprehensive Westpac/CA ANZ [Guide for Community Financial Officers](#), available on the CA ANZ website.

Governance

- Review the constitution to clarify the scope of the purpose to which funds can be applied. If this activity falls outside your organisation's purpose, one option may be to identify other charities that may be better placed to utilise the funds donated.
- Review governance processes and internal controls – eg. who in the organisation is authorised to approve expenditure, what internal control processes are in place.
- Be alert to potential conflicts of interest that may arise when allocating funds. Consider implementing additional controls such as additional Board sign-offs to manage any potential conflicts.
- Report on the current financial position for Board members.
- Consider the parameters of any cost recovery for operational costs and have the board sign off on this. Ensure all such decisions and their rationale are recorded appropriately for future reference and to inform stakeholders.
- Ensure your insurances cover all risks, including but not limited to Occupational Health and Safety and Directors and Officers Liability Insurance if the activity to be undertaken is not a regular activity of the organisation.

Strategic planning

- Review the current strategic plan for relevance in dealing with bushfire response.
- Undertake a SWOT analysis to identify most effective application of funds together with realistic timeframes.
- Identify external stakeholders.
- Identify outcomes sought and measurement processes, including frequency and external reporting.

Financial management

- Prepare revised budget, incorporating any necessary changes to operational costs as well as bushfire relief. The organisation is likely to need additional operational resources to administer the bushfire relief funds.
- Consider the administrative cost of delivering the service and whether the funds are able to be used in recouping any such costs.
- Estimate reasonable timeframes for delivery of services. This will also impact resource requirements.
- Consider establishing reserves for spending beyond the current financial period.
- Cashflow – prepare cashflow forecast.
- Review for risks – reputational damage can arise from hastily and poorly planned delivery of services. The ACNC has indicated that they will focus on organisations providing bushfire relief in their audit program.

- Consult with your auditors in order to ensure the records being kept of donations and their application are adequate to the needs of audit so that the organisation can be as transparent as possible.
- Report to stakeholders, including donors, providing transparency over how and when funds will be distributed.
- Consider whether your financial reporting obligations have changed due to the additional funds.

Additional resources:

- Westpac/CA ANZ [Guide for Community Financial Officers](#)
- ATO guidance on [how to establish a disaster relief fund](#)
- ACNC guidance for charities dealing with the bushfire disaster www.acnc.gov.au

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