

## **Financial Management Policy**

Heartfulness Institute Limited

ACN: 080 974 456

Approved by: Board of Directors

Effective date: March 7, 2026

Review cycle: Three years

### **1. Purpose**

This policy sets out the framework for the responsible management of the financial resources of Heartfulness Institute Limited (HIL), in accordance with its charitable Object, Constitution, and Environmental, Social and Governance (ESG) Policy.

### **2. Authority and Constitutional Alignment**

This policy is made by the Directors under clause 15 (Rules) of the Constitution and must be read subject to the Constitution and the ESG Policy of the Company. If any inconsistency arises, the Constitution prevails.

### **3. Guiding Principles**

- Income and property are applied solely to further the Object of the Company
- The Company operates on a not-for-profit basis
- Funds are managed prudently and ethically
- Financial decisions are transparent and accountable
- ESG considerations are applied where relevant to financial decision-making
- Compliance with all regulatory requirements

### **4. Roles and Responsibilities**

The Board of Directors has ultimate responsibility for financial governance, including approving budgets, monitoring financial performance, approving investments, and ensuring alignment with ESG principles.

The Treasurer supports financial oversight under the direction of the Board.

## **5. Budgeting and Financial Planning**

An annual budget will be prepared and approved by the Board. Variances against budget are monitored periodically.

Financial planning should consider sustainability and responsible stewardship consistent with ESG principles.

## **6. Income, Donations and DGR Funds**

All income and donations must be recorded accurately and applied strictly in accordance with the Object and donor intent.

DGR funds must be managed in compliance with ATO requirements.

## **7. Payments to Members**

Members serve in a voluntary capacity and are not remunerated for their services.

Reasonable expense reimbursements may be approved where incurred in furtherance of the Object and authorised by the Board.

## **8. Expenditure and Payments**

All expenditure must support the Object of the Company and be appropriately authorised.

Where relevant, procurement and spending decisions should consider ESG principles and responsible use of resources.

## **9. Banking and Cash Management**

- All bank accounts must be held in the Company's name.
- A minimum of two authorised signatories is required for all payments.
- Payments exceeding AUD 20,000 require three authorised signatories.
- Electronic banking access must be controlled and reviewed periodically.

## **10. Investment of Surplus Funds**

Surplus funds may be invested by the Board in a prudent and conservative manner consistent with the Constitution and ESG Policy.

Permitted investments include:

- Cash and term deposits with authorised Australian financial institutions
- Low-risk managed investment products

- Mutual funds based on the advice provided by an external Investment Manager and approved by the Board. Investments should consider Environmental, Social and Governance (ESG) factors alongside financial prudence.

### **11. Financial Records, Reporting and Audit**

Proper financial records must be maintained and financial reports provided to the Board regularly.

Audits or independent reviews will be conducted on a yearly basis after the end of the financial year.

### **12. Conflicts of Interest**

All financial conflicts of interest must be disclosed and managed in accordance with the Constitution.

### **13. Related Policies**

- Environmental, Social & Governance (ESG) Policy
- Constitution of Heartfulness Institute Limited

### **14. Review**

This policy will be reviewed every three years by the Board.