



RELATED PARTY TRANSACTION POLICY

AIM

The purpose of this policy is to help Approved Providers effectively identify, disclose and manage any actual, potential or perceived related Party Transactions in order to protect the integrity of Lennox Head Community Preschool and manage risk.

OUTCOMES

To ensure that Responsible Persons (Management members and trustees) and senior staff (Nominated Supervisors or Persons with Management or Control) are aware of their obligation to disclose any Related Party Transactions that they may have, and to comply with this policy

SCOPE

This policy applies to the Persons with Management of Control, Approved Providers and Nominated Supervisors of Lennox Head Community Preschool.

DEFINITION OF A RELATED PARTY

In summary, a related party is:

- a person that is connected to the charity, such as a Responsible Person or a close member of their family, that has control or joint control of the charity
- an organisation that is connected to the charity and has control or significant influence over the charity, such as a parent entity of the charity
- an organisation that the charity has control or significant influence over, such as a subsidiary entity
- any organisation and the charity that are members of the same group (for example, fellow subsidiaries)
- a member of the charity's key management personnel (people with authority and responsibility for planning, directing and controlling the activities of the charity directly or indirectly) or a close member of their family
- an associate (an entity over which the charity has significant influence) or joint ventures (an entity that shares control of an arrangement with the charity and has rights to the net assets of the arrangement)
- another organisation where a related party controls the organisation, a related party has significant influence over that organisation, or a related party is a member of the [key management personnel](#) of that organisation.

DEFINITION OF A RELATED PARTY TRANSACTION

A related party transaction is a transfer of resources, services, or obligations between related parties. It does not have to include financial payment.

A related party transaction can include:

- purchases, sales or donations
- receiving goods, services or property
- leases
- transferring property, including intellectual property
- loans

- guarantees
- providing employees or volunteers
- a Responsible Person of a charity providing professional services (for example, accounting or legal services) at a discounted rate or for free.

PROCEDURE

- Responsible Persons, as identified above, have a responsibility to disclose to the Nominated Supervisor or Approved Provider as soon as possible when a related party transaction is to take place. This is to be included in the related party register and the procedure below is to be followed.
- *Related party Transactions – Employee Remuneration*
 - All employees are to be paid as per the award and Employment Agreements and the Approved Provider is to check and sign off on these agreements as they are updated and renewed.
 - Payments made to employees are to be dual approved, as standard practice with all transactions, by the nominated token holders and checked and signed by the nominated management members.
- *Related Party Transactions – Provision of services or goods*
 - Goods or services provided are to be at the cost of market value or lower and must be declared on the Related Party Transaction register and declared at the Management Meetings. Purchases above \$1000 are to be quoted against a minimum 1 other quote to ensure the transaction is in the best interests of the preschool.

The Approved Provider will

- Record all Related Party Transactions in the Related Party Transaction Register and provide this to the Management at each monthly meeting for transparency and disclosure.

For further examples of related party transactions please refer to <https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc/related-party-transactions>

REPORTING OBLIGATIONS

- All Related Party Transactions will be annually audited and disclosed when reporting to Australian Charities and Not-for-profits Commission.

Attachment: Related Party Transaction Register.

(Reviewed annually with the ACNC and Accountant Audit)

Date last amended adopted March 2026