



ROTHERHAM FEDERATION OF TENANTS AND RESIDENTS

Financial Controls Policy

Introduction

- 1.1 Financial records will be kept so that Rother Fed can:
 - a) Meet its legal and other obligations, e.g. Charities Act 1992, Companies House, Inland Revenue, Customs & Excise and common law.
 - b) Enable the exec committee to be in proper financial control of Rother Fed.
 - c) Enable Rother Fed to meet the contractual obligations and requirements of funders.
- 1.2 Rother Fed will keep proper accounts, which will include:
 - a) A chart of accounts analysing all the transactions in Rother Fed's bank account(s).
 - b) A petty cash book if cash payments are being made, the Treasurer to look at quarterly.
 - c) Inland Revenue deduction cards P11 and Schedule D numbers for freelance workers.
- 1.3 The financial year will end on the 31st January each year.
- 1.4 Accounts will be drawn up after each financial year within three months of the end of the year and presented to the next Annual General Meeting.
- 1.5 Prior to the start of each financial year, the exec committee will approve a budgeted income and expenditure account for the following year.
- 1.6 A report comparing actual income and expenditure with the budget will be presented to the exec committee every quarter. This will normally consist of an Excel spreadsheet with a note on issues of particular significance.

- 1.7 The AGM will appoint an appropriately qualified auditor/examiner to audit/examine the accounts for presentation to the next AGM.

Banking

- 2.1 The banking arrangements will be confirmed by the Finance Subcommittee.
- 2.2 The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the exec committee as will all changes to it. This list will have a minimum of 3 exec committee names on it.
- 2.3 Rother Fed will require the bank to provide statements every month and these will be reconciled with the cash at least every month by the treasurer and another member of the Finance Sub Committee will spot check this reconciliation has been done at least twice a year, signing the cash book accordingly.
- 2.4 Rother Fed will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of the exec committee.

Receipts (Income)

- 3.1 All monies received will be recorded promptly in the chart of accounts and banked without delay (note this includes sundry receipts such as payment for telephone calls, photocopying etc.). Rother Fed will maintain files of documentation to back this up.

Payments (expenditure)

The aim is to ensure that all expenditure is on Rother Fed business and is properly authorised and that this can be demonstrated. The latest approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure, and expenditure beyond it needs approval of a full meeting of the Exec committee. This is subject to the power of the Finance Sub Committee to vire 10% of the budget once a year.

- 4.1 The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept under lock and key.
- 4.2 Blank cheques will NEVER be signed.
- 4.3 The relevant payee's name will always be inserted on the cheque before signature and the cheque stub will always be properly completed and initialed.

4.4 No cheques should be signed without original documentation (see below).

Payment documentation

5.1 Every payment out of the Partnership's bank account will be evidenced by an original order or an entry in the order book, an order number and an original invoice (never against a supplier's statement or final demand). That original invoice will be retained by Rother Fed and filed. The cheque signatory should ensure that it is referenced with:

Cheque number

Date cheque drawn

Amount of cheque

Who signed the cheque

5.2 Wages and Salaries. There will be a clear trail to show the authority and reason for EVERY such payment; e.g. a cheque requisition, asking for payment to an employee, the Inland Revenue, etc. All employees will be paid within the PAYE, National Insurance regulations.

5.3 All staff appointments/departures will be authorised by the exec committee, minuting the dates and salary level. Similarly, all changes in hours and variable payments such as overtime, etc, will be authorised by the exec committee.

5.4 Petty cash will always be maintained on the imprest system where the Administration Officer is entrusted with a float as agreed by the Exec committee. When that is more or less expended, a cheque will be drawn for sufficient to bring up the float to the agreed sum, the cheque being supported by a complete set of expenditure vouchers, totalling the required amount analysed as required. A petty cash book will be kept with:

Reference Number

Date

Amount paid

What the Payment is for

Initials of Payer

Referenced receipts and expense claim forms will be kept in a separate folder. Petty cash claims will be financially limited (at present £10). Amounts over this limit will be paid by cheque.

5.5 Expenses/allowances. Rother Fed will, if asked, reimburse expenditure paid for personally by staff and Exec committee upto a limit per transaction (at present £50), providing:

Completed Expense form by one of the four cheque signatories.

Fares are evidenced by tickets.

Other expenditure is evidenced by original receipts.

Car mileage costs as agreed by Exec Committee (at present, 40p per mile). This rate is applicable for up to a one way distance of 50 miles and 23p per additional mile thereafter. Cycle and mobility scooter costs of 20p per mile.

Expenses can only be claimed on approved Rother Fed business and normally to be submitted once a month.

No cheque signatory signs for the payment of expenses to themselves.

Amounts over the cash limit need prior approval at an Exec committee meeting or at a meeting of the Finance Sub Committee.

Cheque Signatures

6.1 Each cheque will be signed by a least two people from the agreed list of the minimum of 3 signatories.

6.2 A cheque must not be signed by the person to whom it is payable.

Other undertakings

7.1 Rother Fed does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given, the financial consequences of which are, prima facie, likely to exceed in total £1,000 (excluding salaries), must be authorised and minuted by the exec committee. Three quotations are required for any items exceeding £500.

7.2 All fundraising and grant applications undertaken on behalf of the organisation will be done in the name of Rother Fed with the prior approval of the exec committee or in urgent situations the approval of the Company Secretary and two other Exec committee who will provide full details to the next executive meeting.

Other rules

8.1 Rother Fed will adhere to good practice in relation to its finances at all times. The Exec committee will maintain an asset register stating the date of purchase, cost, serial numbers and location.

Date adopted: 21st January 2008

Date reviewed: 8th December 2009

Signed:

Chair of the Board