

LEEDS BLACK ELDERS ASSOCIATION



FINANCIAL PROCEDURES

1. General Rules

Financial records will be kept so that the Management Committee can:

Meet their legal obligations, e.g. Charities Act, Companies Act

Monitor and plan the finances of the organisation

Meet the contractual obligations and requirements of funders

The Management Committee should ensure that the organisation keeps proper books of account, which will include (where appropriate):

A cash book/computerised accounts, analysing all the transactions from and to the organisation's bank account(s), and showing transactions on restricted funds

- An asset register
- A Computerised Petty Cash Book

The financial year will end on 31st March

Accounts will be drawn up after each financial year within 6 months of the end of the year. These will be presented, after audit or independent examination (if required by law, funders or the constitution/memorandum and articles of association), to the Annual General Meeting having been previously approved at a meeting of the Management Committee/ Trustees.

Before the start of each financial year the Management Committee will discuss and approve a properly costed budget for the following year.

A report comparing actual income and expenditure with the budget will be presented to the Management Committee / Trustees at their meetings held every month.

The AGM will appoint an appropriately qualified auditor/independent examiner to audit/independently examine the accounts if required by law, by the constitution / memorandum and articles or a funder.

2. Money Control

Cash is one of Leeds Black Elders Association main assets, appropriate procedures should be followed to ensure that it is safeguarded and only used for genuine expenditure.

2.1 Bank Accounts

The organisation will bank with Yorkshire Bank where the accounts will be in the name of Leeds Black Elders Association. The following accounts will be maintained:

- (1) Volunteering Account.
- (2) High Interest Account.

No other accounts will be held at any other bank or financial institution unless approved and minuted by the Management Committee.

A bank mandate should be in operation to regulate the following: opening / closing / amending bank account details or cheque signatories (it is important to delete signatories that are no longer required) and for the approval of standing orders / direct debits.

Amendments to the mandate can only be made with the approval of the Management Committee or the Chair of the Management Committee. A copy of the mandate should be kept in the Bank Account file.

2.2 Cash / Cheque Receipts

Care should be taken to ensure that once funds are received into the control of the organisation, their continued security is maintained.

Money received should be deposited at the bank at least weekly, or if current holding exceeds £300.00

A duplicated receipt should be given for all cash income. No money should be held back to "feed" petty cash. All cash and cheques received by post should be listed as soon as they arrive.

The paying in book should be completed accurately, and the detail of the individual items deposited as part of the totals should be filled in on the counterfoil or banking sheet.

Monies not deposited should be kept in a secure place (the office safe) until deposited.

If a large amount of cash income is received, e.g. from a fund-raising event two people should count it and sign a sheet confirming the amount.

All documentation (e.g. the terms and conditions of a grant) relating to income should be kept and filed.

2.3 Payment by cheque

Money will only be spent to meet the conditions and requirements of the funders within the objectives of the constitution.

Cheque books should be stored in a secure place, and will be responsible for holding the cheque books (both unused and partly used cheque books).

Cheques should be used sequentially, and wherever possible one cheque book used at a time. Before a cheque is written it should be ensured that sufficient funds are available to cover the amount of the cheque.

Cheques should not be signed unless all relevant details on the cheque have been completed. Before signature, it should be ensured that the cheque details are in accordance with the invoices that have been provided with the prepared cheque.

All cheques should be signed by two authorised signatories. Blank cheques should NEVER be signed. A cheque must not be signed by the person to whom it is payable.

3. Bank Reconciliation

As a primary means of financial control, a bank reconciliation should be produced on receipt of each bank statement. The bank statement should be initialled and dated when reconciled.

4. Petty Cash Control

The petty cash float should be kept in a secure place, and access limited to designated staff members.

4.1 Payments by Cash

All cash payments should be from a cash float (preferably on the Imprest System) which is replenished from the bank account and not by the retention of incoming money. The cash float will never exceed £300.00.

Finance Officer will be responsible for holding the petty cash tin key and for paying petty cash against a properly authorised petty cash voucher with receipt attached. If a round sum is taken from petty cash to cover expenditure an IOU showing the purpose, amount, date and recipient should be signed and placed in the petty cash box.

This should be replaced with a petty cash voucher once the expenditure has taken place. All payment and topping up of petty cash will be recorded in the petty cash book.

The cash float will be counted and agreed to the cashbook on a basis by Finance Officer and on the last day of the financial year by the Treasurer.

No personal advances will be made.

4.2 Expense Claims

Expenses incurred by all members of staff, consultants, volunteers and members of the Management Committee must be genuinely incurred in the performance of Leeds Black Elders Association duties. Expenses should not be rounded up.

Expense forms should be completed and should be submitted with all relevant receipts / invoices.

All expense forms should be submitted to Finance Officer for review and approval. The forms should be signed as evidence of this review.

The completed and approved forms shall be paid and placed in the accounts file.

4.3 Wages and Salaries

Personnel records will be kept for each member of staff and these should be kept separately from the pay records.

Staff appointments/departures will be authorised by the Management Committee, stating the start / finish dates and salary level. Similarly all changes in paid hours and payments, such as overtime, will be authorised by the Management Committee.

The Finance Officer is responsible for ensuring that all relevant information is passed to Treasurer to enable the correct calculation of salaries.

All members of staff will be employed under a proper contract of employment and compliance with PAYE/NIC regulations ensured. If a new employee does not have a P45 the organisation will issue them with a P46 which must be filled in and signed by the employee.

5. Review of Accounts

Statutory annual accounts will be reviewed and approved by the Management Committee prior to the Annual General Meeting.

The Management Committee will review management accounts on a yearly basis.

6. Capital Expenditure

When an asset (land, buildings, equipment etc) is acquired, its details will be entered onto the fixed asset register, this will include cost, age of asset, name and address of supplier, serial numbers, details of guarantees and it's estimated length of useful life noted in order to ascertain depreciation rates.

Assets should be checked regularly and adequate insurance cover taken out.

7. Authorisation Limits

The Line Manager or authorised Management Committee Member is authorised to place orders or commit to contracts and sign cheque requisition slips. Any order for items or services exceeding this amount should be authorised and minuted by the Management Committee.

8. Other Rules

Once a year the Management Committee will consider the level of reserves that it is prudent for the organisation to hold. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account if the organisation were to close.

The treasurer will be responsible for taking out appropriate insurance. The Management Committee will review all insurance cover at its Annual General Meeting every year.

TYPES OF RECORDS TO BE KEPT

CASH INCOME RECORDS

RECEIPT BOOKS
DAILY CASH SHEET/RECONCILIATION'S
PAYING IN STUBS
BANK STATEMENTS
BANKING ARRANGEMENTS
ALL CASH BOOKS
COPY ACCOUNTS
POSTAL REMITTANCE BOOK

EXPENDITURE RECORDS

REQUISITION FOR GOODS
OFFICIAL ORDERS
GOODS RECEIVED COPY
DELIVERY NOTES
PAYMENTS RECORDS
PETTY CASH RECORDS
POSTAGE RECORDS
CAR ALLOWANCE LOG SHEET
RECORDS OF QUOTATIONS RECEIVED

GRANTS AND ALLOWANCE

APPLICATION FORMS/OUTCOME

ACCOUNTING RECORDS

FINANCIAL RETURNS TO FUNDING BODIES
BUDGETS
FINANCIAL REPORTS
STATISTICAL RETURNS

ADMINISTRATIVE RECORDS

CORRESPONDENCE
STAFF RECORDS

PERSONAL RECORDS

APPROVALS FOR SPECIAL LEAVE
JOB APPLICATION DETAILS
SICKNESS RECORDS
DISCIPLINARY PAPERS