

## **Contact a Family webinar**

### **Why do parent carer forums need a Financial Control Policy?**

- Welcome to this Contact a Family Webinar
- If there is a technical glitch, please do bear with us
- Those of you joining by pc, laptop, tablet or smart phone should now be able to see this introduction slide

## Timing & Questions

- As there are so many attendees, it is not practical for verbal questions to be taken; therefore you will all remain 'muted' throughout
- If at any point you have questions, please use the question icon on your GoToWebinar tool bar on your screen
- This will allow you to type your question in to the text box and submit this to the Webinar administrator
- Catherine will select as many relevant questions to answer as time allows, if similar questions are received Catherine will condense these where possible



## Q&A Session

- Further relevant questions, not covered in the time allowed, will be answered and posted on the Contact a Family website along with the recording of this Webinar, details of which will be circulated next week
- At the end of the Webinar a short questionnaire will launch, please take the time to complete this as this will assist with future online training events

## **Why should Parent Carer Forums have a Financial Control Policy?**

**Internal financial controls are essential checks and procedures that help PCF's and ensure the quality of financial reporting, by keeping adequate accounting records and preparing timely and relevant financial information.**

- If a PCF is to achieve its aims then the steering group/committee members need to ensure that grant monies are properly used, that its funds are spent effectively and its financial affairs are well managed.
- Financial controls reduce, but do not eliminate, the risk of losses through theft and fraud, bad decisions, human error, financial controls reduce the risk of those things happening. Financial control can also help you to achieve value for money outcomes.
- As a forum you have made a decision to apply for a grant and therefore, as a body, you are collectively responsible for establishing, implementing and monitoring internal financial controls.

## **How should forums manage the accounts?**

Your treasurer or the organisation you have commissioned for this purpose will normally do the management of the accounts. A method of financial reporting should be in place which reports to members the financial information they need to manage the forum's financial affairs. It is advisable that this financial reporting takes place quarterly.

It may be that the Parent Participation Forum sits within a larger organisation or indeed that it has charity status. You are asked to ensure that for the purposes of this grant parents must be at the heart of decision making about how to spend the grant and must have control of it. Some financial control policies are complex and seem not to be in an accessible format for parent forums. It is therefore quite legitimate that the forum has a separate policy for the administration of the forum funding an example of which can be found on the Contact a Family website.

## **How forums should manage the accounts continued.**

In submitting your grant application you will spell out what your intended activity is for the year. You should then draw up an action plan to give a structure to your intentions and alongside each activity you should estimate the financial resources that will be required. In other words you should plan your budget for the future financial period

## **In summary a financial control policy**

1. protects the parent carer forum and the individuals who run it
2. supports you in monitoring your spend
3. ensures that you obtain value for money
4. is good practise for any organisation in receipt of a grant and is now a requirement in applying for the grant

## What should be in the policy?

The policy should have the following contained in it

- Management of financial records
- Banking arrangements
- Receipts
- Cheque payments
- Petty cash payments
- Expenses, payments and honorariums
- Payment documentation for Staff
- Other rules pertaining to your forums particular circumstances



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## **What about keeping records of the financial activity of the forum?**

**All financial activity should be recorded**

### **Keeping Records**

Accounting records means the documents and books of account kept by your forum of money coming into and going out of the PCF and a record of its assets and any liabilities.

This is often referred to as a cash account system in basic terms you enter information about any money you receive and any monies spent.

## What about banking arrangements?

These may vary depending on whether or not the forum manages it's own grant money or whether this is commissioned from another organisation.

For those forums managing their own grant

- The forum will bank with a bank or building society and the policy will contain information about the *name of bank* and the *name of branch* and that the accounts will be held in the name of (*name of forum*).
- A bank mandate (the list of people who can sign cheques on the forum's behalf) will be approved and minuted by the committee/steering group, as will any changes to it.

## **Banking Arrangements Continued**

The forum will require the bank to provide statements every month. These will be reconciled with the cash book at least every three months. The Treasurer will check that this reconciliation has been done at least twice a year, signing the cash book accordingly.

The forum will not use any other bank or financial institution, or use overdraft facilities or loan, without the previous agreement of the committee/steering group. The forum should if possible aim to maintain a reserve in its account equal to three months of running costs, or £200, whichever is higher (this needs to be determined on an individual forum basis).

For those forums who commission their financial management services, they should establish an agreement about how and when account summaries will be presented to the forum.

## On line banking arrangements

Some forums are now using online banking arrangements in this case it would be advisable to:

- Limit access to three people
- Limit the number of cash cards - a maximum of two
- Set up BACS payments for employee salaries
- Print statements and share them with the committee on a regular basis

**Parent carers are volunteers and very busy people what controls should there be in place to ensure that they do not by omission miss manage spending of the grant?**

**All decisions on spending should be made at the forum steering group/committee meeting and MUST be recorded.**

# Cheque Payments

- The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure place.
- Each cheque will be signed by at least two people.
- A cheque must **NOT** be signed by the person to whom it is payable.
- Blank cheques must **NEVER** be signed.
- The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed.
- No cheques should be signed without original documentation

## Paying by Cash

When paying by cash if the forum wishes to maintain a petty cash float, the Treasurer or representative of the forum should be entrusted with this with the prior agreement of the committee/ steering group. When the float is more or less expended, a cheque will be drawn for sufficient funds to bring up the float to the agreed sum.



## **The grant makes provision for parent carers to claim expenses when they are on forum business. How should these arrangements be reflected in the Financial Control Policy?**

**Many forums have a remuneration policy in place some have these arrangements set out within their constitution arrangements. It is important that forums have clear and transparent policies about how expenses and honorariums are paid to parent carers, to remunerate activity. This may be a separate policy to the financial policy, but the two will be linked. Within your finance policy you should include:**

# Parental Expenses

The forum will, if asked, reimburse expenditure paid for personally by volunteers or staff, providing it has been agreed and minuted to do so, and that:

- fares should be evidenced by tickets
- other expenditure is evidenced by original receipts containing the items claimed against **ONLY, make sure that you keep your own personal purchases totally separate from those of the forum.**
- car mileage is based on agreed and reasonable mileage rates
- no cheque signatory signs for the payment of expenses to themselves
- honorarium claims should be accompanied by a record of what this is being paid for, and demonstrates the agreed activity has taken place

## **Are there any other things that the forum should be mindful of in preparing their FCP?**

**There will of course be issues relating to individual forums but things to consider may include**

Any member of the committee/steering group who has a personal interest in, or connection to, an organisation or individual who is already being paid by the forum (or intends to quote for work being commissioned by the forum) must declare this interest and have it minuted by the committee/steering group.

The purchase of goods or services over a value agreed by the committee/steering group will be subject to obtaining at least two quotes, and the subsequent decision based on value for money and minuted by the committee/steering group.

## **Review of your Financial Control policy**

The forum's committee or steering group should, at least annually, ensure a review is conducted of the effectiveness of the forums internal financial controls. This should include an assessment of whether the controls are relevant to, and appropriate for, the forum and not too onerous or disproportionate.

# Q&A Session

## Thank You

- Thank you for attending with us today
- A short questionnaire will launch at the end of this webinar
- Please take the time to complete this
- It will help us plan future online training events including other topics you would like to see
- The recording of this Webinar, presentation and questions will be on the parent participation resources section of Contact a Family's website next week

