

East Sussex Parent & Carers' Council (ESPaCC) Financial Control Policy

This Financial Control Policy consists of:

1. Management of financial records
2. Banking arrangements
3. Receipts
4. Cheque payments
5. Petty cash payments
6. Expenses, payments and honorariums
7. Payment documentation
8. Staff
9. Other rules

1 - Management of financial records

a) This financial control policy is designed to ensure that all expenditure is on the ESPaCC's business; that it is properly authorised; and that this can be demonstrated.

b) Financial records are kept so that ESPaCC:

- has proper financial control of the organisation
- meets its legal and other statutory obligations (if relevant), such as Charities Act, Inland Revenue, Customs & Excise and common law
- meets the contractual obligations and requirements of funders

c) The book of accounts must include:

- a cashbook analysing all the transactions appearing on the bank accounts
- a petty cash book if cash payments are being made
- Inland Revenue deduction cards P11 (if registered for PAYE) – at date of writing not applicable

d) Accounts will be drawn up at the end of each financial year within three months of the end of the financial year, and presented to the next Annual General Meeting (AGM).

e) Prior to the start of each financial year – or as close to the start as is possible, ESPaCC will approve a budgeted income and expenditure account for the following year.

f) A report comparing actual income and expenditure with the budget should be presented to the steering group on a regular basis – at each meeting of the Steering Group.

g) ESPaCC will appoint an appropriately qualified auditor/independent examiner to audit/examine the accounts for presentation to the next AGM.

2 - Banking arrangements

a) ESPaCC currently banks with _____ at the Eastbourne branch and holds one account in the name of _____

b) A bank mandate (the list of people who can sign cheques on behalf of ESPaCC) will be approved and minuted by the Steering Group, as will any changes to it.

c) ESPaCC has requested _____ to provide statements every month. These will be reconciled with the accounts at least every three months. The Treasurer will check that this reconciliation has been done at least twice a year.

d) ESPaCC will not use any other bank or financial institution, or use overdraft facilities or a loan, without the previous agreement of the steering group.

e) ESPaCC should if possible aim to maintain a reserve in the account of £200

3 - Receipts

All monies received by the ESPaCC will be recorded promptly in the cashbook and banked without delay. ESPaCC will maintain files of documentation to back this up.

4 - Cheque payments

a) The approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.

b) The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure place.

c) Each cheque will be signed by at least two people.

d) The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed.

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

5 - Petty cash payments

ESPaCC will maintain a petty cash float & the Treasurer is entrusted with this with the prior agreement of the 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.

6 - Expenses, payments and honorariums

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

- a) all expenditure is listed per item separately and clearly on an expense form – see copy attached
- b) fares are evidenced by tickets
- c) other expenditure is evidenced by original receipts.
- d) car mileage is based on agreed and reasonable mileage rates
- e) honorarium claims should be accompanied by a record of what this is being paid for, and demonstrates the agreed activity has taken place
- f) payments for a person's time at meetings will be released once a meeting report is submitted.

7 - Payment documentation

- a) Every payment out of the ESPaCC bank account must be evidenced by an original invoice/expense claim. That original invoice will be retained by ESPaCC Treasurer and filed. The cheque signatory should ensure that it is referenced with:
 - cheque number
 - date cheque drawn
 - amount of cheque
- b) The only exceptions to cheques not being supported by an original invoice are items such as advanced booking fees for a future course, deposit for a venue, VAT, etc.

8 - Staff

- a) If ESPaCC employ staff, there must be a clear trail to show the authority and reason for every such payment to staff; e.g. a cheque requisition form asking for payment to an employee. All formal employees will be paid within the PAYE and National Insurance regulations – at date of writing this policy this is not applicable.

b) All staff appointments, departures, dates, hours and salary levels will be authorised by the Steering Group. Similarly, all changes in hours and variable payments (e.g. overtime) will be authorised by the Steering Group - at date of writing this policy this is not applicable.

9 - Other rules

a) ESPaCC does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost ESPaCC in excess of £500 must be authorised and minuted by the steering group.

b) In exceptional circumstances, such undertakings can be made with the Chairperson's & Treasurer's joint approval who will then provide full details to the next meeting of the steering group.

c) ESPaCC will adhere to good practice in relation to its finances at all times. This will include when relevant a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Any assets should be returned to ESPaCC if individual members stand down.

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

e) A debit card assigned to the _____ account held in the name of _____ has been issued to each of the Co-Chair, the Treasurer and the Administration Officer. There is a policy for the use of the ESPaCC debit card which has been agreed by all three individuals a copy of which is attached

f) ESPaCC steering group has agreed to the appointment of _____ to undertake the duties of book keeper at an agreed fee. They work closely with, report directly to and assist the Treasurer in maintaining the accounts of ESPaCC.

g) The principal funding of ESPaCC is currently from a grant provided by the Department for Education and administered by Contact a Family to whom ESPaCC report in detail on an annual basis. Additional funding has been secured from ESCC and local CCG's. Although ESPaCC use one bank account, the management of the different funding streams is reported on separately and will follow this Financial Control Policy for all relevant matters.

This Financial Control policy will be reviewed by May 2015

Financial control policy

This Financial Control Policy was discussed and agreed by the ESPaCC Steering Group on 16 May 2014

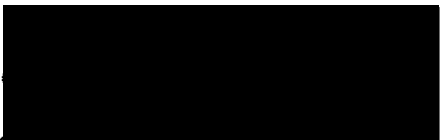
Signed:



Position: Co-Chair

Date: 23.05.14

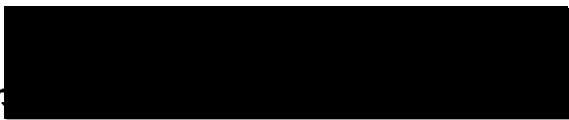
Signe



Position: Treasurer

Date: 23-05-14

Signed:



Position: Steering Group Member

Date: 23/5/14

