

FINANCE POLICY & PROCEDURES

WALKWAY COMMUNITY ASSOCIATION

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1. Introduction

This policy outlines the financial controls employed by Walkway Community Association.

The Charity Commission have stated that charities should be able to show that the property of the organisation is safe and that without the ability to show that checks and controls have been implemented it would not be possible to offer security. Walkway Community Association ensures that the procedures comply with the Charity Commission's Recommendations.

2. Accounting Requirements

The Management Committee of Walkway Community Association are under a duty to ensure that proper books and records, and that annual accounts are prepared. The Board of Directors do guarantee that the accounts are subjected to external scrutiny, by undertaking an external audit on a yearly basis.

In order to ensure the smooth running of the finances of Walkway Community Association the Management Committee will have to delegate tasks to staff. This delegation is clearly laid down in writing (i.e. job description) and understood by both the delegate and the Management Committee. The Management Committee will review this delegation on a regular basis and continue to check the finances of the organisation.

3. Retention of Documentation

All staff must be aware of need to retain documentation for no less than seven (7) years. A longer retention period may be required by individual funders which will be reflected in their Letter of Offer and this must be adhered to.

4. Basic Internal Controls

a) Segregation of duties:

One of the prime means of control within Walkway Community Association is the separation of those responsibilities of duties which if combined would enable one person to record and process a complete transaction. This reduces significantly the scope for errors and oversights, as well as deliberate manipulation or abuse, and builds in additional checks.

b) Budgetary controls:

It is necessary to work within an agreed budget and undertake full financial planning.

c) Controls over incoming funds:

All incoming cheques and cash will be banked and recorded immediately. Cash or cheques are kept in a safe place until they can be banked. Petty cash will not exceed £100.00, if required, kept in a locked tin and the keys should be kept by a nominated officer (i.e. the administrator). Insurance will cover petty cash.

d) Checks of income and expenditure:

Records of cheques and cash will be recorded and checked against bank statements; transfers or direct payments will be identified and verified against the paperwork. Checks will be made by the treasurer or other designated officer other than the person who made the original transaction. Records will also be checked to ensure that there has been no unauthorised credit extended (i.e. unauthorised overdraft) and that the finances of Walkway Community Association are not placed under any strain by credit, which has been approved.

All expenditure and investment of Walkway Community Association funds will be properly authorised and it is essential that there is supporting documentation (e.g. itemised receipts, invoices etc.).

Instruments of payment (e.g. cheque book, bank mandate forms etc.) will be kept safe with limited access to nominated persons.

The preparation of documentation for authorisation for expenditure (e.g. cheque requisition forms) is undertaken by the Treasurer or other nominated officer other than the persons authorising the payment. All cheques need to be signed by two signatories

Cheque books will be kept in a safe place with limited access. Blank cheques will not be signed in advance.

All expenditure will be recorded in the cheque journal, cross referenced with cheque number, with the nature of the payment and the payee clearly identified in the cheque journal and in the cheque requisition forms. All cheque book stubs shall be retained for walkway accounting purposes.

e) Wages and Salaries:

Checks will be made to ensure that Walkway Community Association complies with all of the relevant legislation and regulations regarding payment of wages and salaries (e.g. deduct and account for PAYE).

Personnel records will be kept for each member of staff separately from the pay records. All employees will have a proper contract of employment and individuals are not incorrectly classified as being self-employed.

5. Procurement of Goods and Services

Goods and Services which may be obtained by Walkway Community Association with an estimated cost of over £500 but not exceeding £20,000 must be procured on the basis of written quotations unless it is proposed to enter into a formal contract.

The number of written quotations required is set out in the table below:

Estimated Value of Order (EXCLUDING Vat) £	Number of Written Quotations Required
£501 - £5,000	2 Written
£5,001 - £10,000	3 Written
£10,001 - £20,000	4 Written

All staff must be aware that individual funders may have other or additional requirements for procurement of goods and services, which will be reflected in their Letter of Offer. These must be adhered to.

