

Suffolk Parent Carer Network (SPCN)

Financial Control Policy

The financial control policy consists of:

- Management of financial records
- Banking arrangements
- Receipts
- Cheque payments
- Petty cash payments
- Expenses, payments and honorariums
- Payment documentation
- Staff
- Other rules

Management of financial records

- 1) The financial control policy is designed to ensure that all expenditure is on SPCN's business; that it is properly authorised; and that this can be demonstrated.
- 2) Financial records (a book of accounts) must be kept so that SPCN:
 - 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
- 3) 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)
- 4) Accounts must be drawn up at the end of each financial year within three months of the end of the year, and presented to the next Annual General Meeting (AGM).
- 5) Prior to the start of each financial year, SPCN will approve a budgeted income and expenditure account for the following year.
- 6) A report comparing actual income and expenditure with the budget should be presented to the Management Board monthly.

Banking arrangements

- 1) SPCN will bank with HSBC at its Lowestoft Branch and an account will be held in the name of Suffolk Parent Carer Network.
- 2) A bank mandate (the list of people who can sign cheques on SPCN's behalf) will be approved and minuted by the Management Board, as will any changes to it. The current bank mandate will have Anne Humphrys, Clare Kingaby-Lewis, Lucy Buckle and James Nunn as signatories.
- 3) SPCN 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 and this will be minuted in the Management Board meeting minutes.
- 4) SPCN will not use any other bank or financial institution, or use overdraft facilities or loan, without the previous agreement of the Management Board.
- 5) SPCN should if possible aim to maintain a reserve in its account equal to three months of running costs, or £200, whichever is higher.
- 6) Access to online banking is permitted when it has been agreed and minuted by the Management Board. Any changes to this will also need to be approved and minuted by the Management Board.

Receipts

- 1) All monies received by SPCN will be recorded promptly in the cashbook and banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc.). SPCN will maintain files of documentation to back this up.

Cheque and online payments

- 1) The approved budget provides the cheque signatories with authority to spend up to the budgeted expenditure and not beyond it.
- 2) Payments can be made either by cheque or online bank payment providing the method of payment has been agreed by the Management Board and the procedures are followed as documented in this Financial Control policy.
- 3) The Treasurer will be responsible for holding the cheque book (unused and partly used cheque books) which should be kept in a secure place. The Treasurer will be responsible for holding the online banking login details and associated equipment to enable access to online banking.
- 4) Each cheque will be signed by at least two people. Where an electronic payment is made there will need to be at least one cheque signatory present **and** one other member of the Management Board.

- 5) A cheque must **NOT** be signed by the person to whom it is payable. An electronic payment must **NOT** be set up by the person to whom it is payable, nor can they be one of the witnesses for said payment.
- 6) Blank cheques will **NEVER** be signed.
- 7) The relevant payee's name will always be inserted on the cheque before signature, and the cheque stub will always be properly completed. Where electronic bank payment is made a copy of the online payment will be printed and attached to the documentation.
- 8) No cheques should be signed without original documentation (see below).

Expenses, payments and honorariums

1) SPCN will, if asked, reimburse expenditure paid for personally by volunteers or staff, providing it has been agreed and minuted to do so, and that it is in line with the SPCN Financial Expenses and Reimbursement Policy. In addition:

- fares are evidenced by tickets
- other expenditure is evidenced by original receipts containing the items claimed against.
- car mileage is based on agreed and reasonable mileage rates
- no cheque signatory signs for the payment of expenses to themselves and/or no online bank payment is arranged by, nor can they be the approved witness to, a payment approved 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.

Payment documentation

1) Every payment out of SPCN's bank account must be evidenced by an original invoice and never against a supplier's statement or final demand. That original invoice will be retained by SPCN and filed. The cheque signatory should ensure that it is referenced with:

- cheque number
- date cheque drawn
- amount of cheque

Where an online bank payment is made the invoice will need to be referenced with:

- the date and time of the online payment
- the amount of the online payment
- a copy of the online payment
- Two signatures of witnesses to the online payment. One of these must be an approved cheque signatory and the other a member of the Management Board or the bookkeeper appointed by SPCN

2) The only exceptions to cheques or online payments not being supported by an original invoice are items such as advanced booking fees for a future course, deposit for a venue, VAT, etc. Here a photocopy of the cheque or online payment will be kept.

Staff

- 1) If SPCN has employed 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.
- 2) All staff appointments or departures will be authorised by the Management Board, minuting the dates and salary level. Similarly, all changes in hours and variable payments (e.g. overtime) will be authorised by the Management Board.

Discretionary Scheme

SPCN currently operates a discretionary scheme to reimburse parents, carers and other volunteers for their time, skills and expertise, whilst representing SPCN at agreed meetings and events.

This is liable to be taxable, and may affect any state benefits you receive, as it may be deemed to be employment income. It is not intended to create an employment situation as explained in our Parental Representative Agreement.

It is your sole responsibility to notify HMRC and any other relevant agencies from whom you are claiming benefits of any payments received whilst volunteering. This applies to all remuneration payments.

If you wish to be reimbursed for your time, skills or expertise you will need to submit a remuneration form to the Management Board as per the agreed process and in line with the SPCN Financial Expenses and Remuneration Policy.

All Expenses and Remuneration claims will need to be accompanied by a Parent Rep Feedback Form for each meeting attended. Claims will NOT be authorised or paid if this documentation does not accompany the claim.

All Expenses and Remuneration claims are to be submitted in a timely manner. The SPCN Management Board have determined that this constitutes by the next SPCN Management Board meeting after the meeting attended by a parent rep. Any claims after this date will not be paid unless the Management Board have agreed and minuted this due to exceptional circumstances.

Other rules

- 1) SPCN does not accept liability for any financial commitment unless properly authorised. Any orders placed or undertakings given which are likely to cost the forum in excess of £100 must be authorised and minuted by the Management Board.
- 2) In exceptional circumstances, such undertakings can be made with the approval of both Co-Chairs who will then provide full details to the next meeting of the Management Board.

3) SPCN will adhere to good practice in relation to its finances at all times. This should include when relevant a fixed asset register stating the date of purchase, cost, serial numbers and normal location of assets. Additionally, SPCN will maintain a property record of items of significant value, with an appropriate record of their use. Any assets should be returned to SPCN if individual members stand down.

4) Purchases of goods or services over a value of £500 will be subject to obtaining at least two quotes (ideally 3), and the subsequent decision based on value for money and minuted by the Management Board.

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

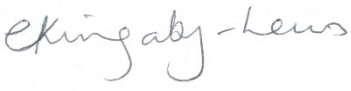
Monitoring and review

This policy is to be reviewed on an annual basis.

Date discussed at SPCN Management Board: 13th May 2020

Date Agreed by SPCN Management Board: 13th May 2020

Signed:



Clare Kingaby-Lewis
Co-Chair



Anne Humphrys
Co-Chair

Date policy will be reviewed: May 2021