

Financial Control and Expense Policy Bournes Green Junior School Parents' Association

Introduction

This policy sets out the principles for Financial Control and Expenses within Bournes Green Junior School Parents Association. It is relevant to all within the association and is endorsed by the committee of Bournes Green Junior School Parents Association

It will be reviewed annually in September to ensure that it remains appropriate to the Organisation and its volunteers needs.

Applicability

This policy is applicable to all Trustees and Committee Members who are legally responsible for the running of the association and for all Members of the Association who are entitled to be reimbursed for out-of-pocket expenses which they legitimately incur whilst supporting the delivery of the charity's objects.

Financial Records and Accounts

Financial records must be kept so that:

- The organisation meets its legal and other statutory obligations, such as Charity Acts, Her Majesty's Revenue & Customs and common law.
- The trustees have proper financial control of the organisation.
- The organisation meets the contractual obligations and requirements of funders.

The books 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.

Accounts must be drawn up at the end of each financial year within 3 months of the financial year end and presented to the next Annual General Meeting.

Prior to the start of each financial year, the trustees will approve a budgeted income and expenditure account for the following year.

A report comparing actual income and expenditure with the budget should be presented to the trustees every three months or whenever meetings take place.

The AGM will appoint an appropriately qualified auditor/ independent examiner to audit or examine the accounts before presentation to the next AGM if required.

Bank Account Management

The Charity will bank with Barclays Bank plc and accounts will be held in the name of the Small Charity. The following accounts will be maintained:

- Current Account - Bournes Green Junior School Parents' Association
- Savings Account - Bournes Green Junior School Parents' Association

The bank mandate (list of people who can sign cheques on the organisations behalf) will always be approved and minuted by the trustees as will any changes to it.

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

The charity will not use any other bank or financial institution or use overdraft facilities or loans

The Bank mandate will require two signatures from a pool of three to four signatories

The Treasurer will operate the bank account and retain passwords for online banking

Any payments made through online banking should be authorised

Cheque Signatures

Each cheque will be signed by at least two people.

A cheque must not be signed by the person to whom it is payable (you will have to ensure that you have enough signatories on your bank mandate)

Use of Bank Cards

The PA do not have any bank cards to make purchases

Online Banking

Any online banking details issued are to be stored safely and only known to the person they have been issued to.

If online banking details have been issued to an individual it is for their use only and not to be shared.

If online banking details have been issued for the association rather than individuals then these should only be known to the current bank signatories that have authority to act on behalf of the association.

Dual authorisation is required to make online payments. One person creates the transaction and another signatory authorises the transaction. The committee should have agreed to any payments or transfers in advance.

If a person with online bank details leaves the committee they should be removed as a bank signatory and the bank notified to remove their online access.

Income

All monies received will be recorded promptly in the cash analysis book and banked without delay. The Charity will maintain files of documentation to back this up.

Purchases/Expenses

Members of the Association are entitled to be reimbursed for purchases/expenses made for the Association.

Purchases must be pre-approved by the Treasurer or Chair and have already been agreed by the committee as an agreed spending of funds.

The following limits are in place:

- Expenses up to £500 are agreed by the trustees
- Expenses between £500 and £5,000 are agreed by the committee and an expenditure request from completed and approved. This will be kept with the receipts/invoices
- Expenses over £5,000 are agreed by members of the charity in a ballot/vote after an expenditure request from has been completed and approved by committee members. This will be kept with the receipts/invoices.

Any member who has not received pre-approval for a purchase is not guaranteed reimbursement.

Receipts must be provided for all purchases.

The Treasurer will be responsible for holding the cheque books (including unused and partly used cheque books).

Blank cheques will 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 (see below).

All claims for reimbursement must be made within 90 days of the date of purchase

Payment documentation

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

- Cheque number
- Date cheque drawn
- Amount of cheque

2) The only exceptions to cheques not being supported by an original invoice are Items such as advanced booking fees for a future events, deposit for a venue, VAT, etc.

3) Wages and Salaries. – Not applicable.

4) Petty cash will only be used for floats for events. The trustees will agree a float value and a cheque will be drawn up for sufficient funds.

Waiving Expenses (Donating Expenses as Gifts in Kind)

Members who generously waive their expenses or purchases as 'donations' to the Charity inadvertently create some difficulties. If reimbursement of expenses and purchases are not claimed they cannot be entered in to the accounts to show both the true running costs of the Charity and the generosity of its supporters through cash-donations. If the amount of waived purchases are entered into the Charity Accounts the Charity may not claim Gift Aid on these amounts as 'Gifts In Kind' are excluded from Gift Aid.

Changes to the policy

The Committee reserve the right to change its Expense Policy to maintain consistency with current best practice and the needs of the Charity.

Explanatory Notes:

- Telephone Calls - No reimbursement will be made for telephone calls.
- Travel Expenses - No reimbursement will be made for travel expenses.
- Mileage Expenses - No reimbursement will be made for Mileage Expenses
- Parking costs - No reimbursement will be made for Parking costs.

This policy will be reviewed annually by Bournes Green Junior School Parents Association committee prior to the AGM.

Policy Created - September 2021

Policy Reviewed – September 2021