

South Essex Community Hub



Financial Regulations June 2016

Financial Records & Accounts

1. Financial records must be kept so that:
 - The organisation meets its legal and other statutory obligations such as Charity Acts, Her majesty's Revenue and Customs and common law
 - The trustees have proper financial control of the organisation
 - The organisation meets the contractual obligations and requirements of the funders
2. The books of accounts must include
 - A cashbook analysing all the transactions appearing in the bank accounts
 - A petty cash book if cash payments are being made
 - Inland Revenue deductions cards P11 (if registered for PAYE)
3. Accounts must be drawn up at the end of each financial year and presented to the next Annual General Meeting
4. Prior to the start of each financial year the trustees will approve a budgeted income and expenditure account for the following year.
5. A report comparing actual income and expenditure with the budget should be presented to the trustees every 3 months or whenever meetings take place.
6. The AGM will appoint an appropriately qualified auditor/independent examiner to audit or examine the accounts before presentation to the next AGM

Banking

1. The South Essex Community Hub will bank with Lloyds Bank PLC at its High Street branch in Southend and the accounts will be held in the name of South Essex Community Hub the account is currently maintained as a Treasurers Account
2. The bank mandate (list of people who can sign cheques on the organisation's behalf) will be approved and minuted by the trustees/committee members as will any changes to it.
3. SECH will require the bank to provide statements every month and these will be reconciled with the cashbook at least every three months and the treasurer will spot

check that this reconciliation has been done at least twice a year, signing the cashbook.

4. SECH will not use any other bank or financial institution or use overdraft facilities or loan without the agreement of the trustees/committee members

Income

1. All monies received will be recorded promptly in the cash analysis book or banked without delay (this includes sundry receipts such as payment for telephone calls, photocopying etc). SECH will maintain files of documentation to back this up

Payments/Expenditure

1. The aim is to ensure that all expenditure is properly authorised in line with the delegated authority authorised by the trustees/committee members

2. The treasurer will be responsible for holding the cheque books (including used and partly used chequebooks) which should be securely stored.

3. Blank cheques will not be signed

4. The relevant payees name will always be inserted on the cheque before signature and the cheque stub will always be completed.

5. No cheques will be signed without original documentation – every payment out of SECH's bank account will be evidenced by an original invoice (never against a suppliers statement or final demand). Original invoices will be retained by SECH .

The cheque signatories will ensure it is referenced by :

- The cheque number
- Date cheque drawn
- Amount of cheque

6. The only exceptions to cheques not being fully supported by an original invoice are items such as advance booking fees for a future activity, deposit for item in these circumstances a photocopy of the cheque will be retained on the financial records

7. Wages & salaries. There will be a clear audit trail to show the authority and reason for every such payment which will be supported by appropriately authorised documentation. All employees will be paid within the PAYE and National Insurance Regulations.

8. All staff appointments/ resignations will be authorised by the trustees/ Committee members. Similarly all changes in hours and variable payments such as overtime will be appropriately authorised by the management committee.

9. Petty cash will always be maintained on a cash reconciliation system whereby the treasurer will be entrusted to hold a cash float as agrees by the management committee. When required a cheque will be drawn to bring the float up to the agreed level. All petty cash claims will be supported by expenditure vouchers which will be appropriately authorised.

10. Expenses/Allowances – SECH will if requested reimburse expenditure paid for personally by staff providing:

- Fares are evidenced by tickets
- Other expenditure is evidenced by original receipts
- Car mileage is based on Inland revenue approved rates

- No cheque signatory may sign for the payment of expenses too themselves

Cheque Signatories

1. Each cheque will be signed by two authorised cheque signatories
2. A cheque must not be signed by the person to whom it is payable

Other rules

1. SECH does not accept liability for any financial commitment unless it has been properly authorised. Any orders placed or undertakings which are likely to cost in excess of £25 must be authorised by the management committee
2. In exceptional circumstances such undertakings can be made with the Chair of the management committee approval who will then provide full details to the next meeting of the committee.
3. All fund-raising and grant applications will be undertaken on behalf of SECH will be completed under the organisations title and will be discussed by the management committee or the Chair.
4. SECH will adhere to good practice in relation to its finances at all times and will set up and maintain an asset register stating the date of purchase, cost, serial numbers and the normal location of assets .

**Approved by the Management Committee South Essex Community Hub 30th
June 2016**