
Resource Centre

Financial Rules

Purpose of Financial Rules

The purpose of these rules is to ensure proper control of the Centre's finances.

Wherever practicable, tasks are separated so that each transaction is completed by more than one person in order to provide a built-in checking process.

1. Bank accounts

- a) The Resource Centre has a current cheque account and a deposit account;
- b) All income and expenditure will be transacted through the current account: money paid into or drawn from the deposit account must pass through the current account as a transfer;
- c) All members of staff are signatories to the accounts in order to facilitate the team method of work organisation and meet the needs of a trading organisation;
- d) Every payment for goods and services and standing orders for staff wages will be in accordance with the budget agreed by the Management Committee;
- e) A bank reconciliation of both accounts will be carried out monthly.

2. Invoicing and credit

- a) The front desk is responsible for recording each group's use of equipment and services;
- b) The front desk will issue each user with a numbered VAT invoice or debit their monthly account;
- c) There is a general credit limit of £50-00 but groups are encouraged to settle invoices immediately;
- d) For certain groups the staff team may authorise a credit limit of up to £200-00 according to the groups' needs and credit-worthiness;
- e) Regular users may open a monthly account if this is authorised by the staff team;
- f) The front desk will send out invoices for monthly accounts;
- g) Twice a month the front desk worker will chase up unpaid invoices.

3. Income

- a) Payments received by post will be recorded in the post day book and passed to the front desk;
- b) All incoming cash and cheques are handled by the front desk and will be recorded on the income day sheet;

- c) At the end of each day, the front desk will reconcile the cash and cheques in the cash tin with the invoices and the income day sheet and lock the tin in the secure cupboard.
- d) At the beginning of each week, the finance section will check the income against the records and pay all incoming cash and cheques into the bank;
- e) The finance section will check and record income received by BACS;
- f) Full details of all income invoices will be recorded weekly in the income section of the computerised cash analysis book.

4. Stock control and ordering

- a) Stock checks will be carried out monthly by the front desk and stock items ordered to bring stock up to the agreed levels;
- b) Orders for non-stock items will be agreed by the staff team which must take into account the overall financial position and the cash-flow situation;
- c) No order above £500-00 for capital equipment or repairs to premises and equipment shall be made without the approval of the chair of the management committee unless the specific item of expenditure has been shown in the budget;
- d) No order above £1,500-00 shall be placed without the approval of a meeting of the management committee, unless the specific item of expenditure has been shown in the budget;
- e) Goods received will be checked by the front desk and order forms and delivery notes/repair dockets passed to the finance section;
- f) The front desk is responsible for dealing with suppliers in connection with the non-arrival of orders or the supply of damaged or unsatisfactory goods;
- g) The finance section will check invoices against delivery notes and repair dockets before making payments.

5. Payments by cheque

- a) No cheque will be signed without documentation to support the payment;
- b) Two signatories are required on each cheque;
- c) No blank cheque will be ever signed by any signatory;
- d) No staff member will sign a cheque payable to themselves;
- e) Cheque stubs will be completed at the time of payment;
- f) Details of the cheque number, date, and analysis heading (expenditure category) will be recorded on the firm's invoice/statement, and initialled by the finance worker;
- g) Full details of all cheque payments will be recorded weekly in the expenditure section of the computerised cash analysis book.

6. Payments by internet banking

- a) The above rules for payments by cheque apply to payments by internet;
- b) An internet payment requisition will be completed and signed by two signatories and attached to the firm's invoice/statement. Requisitions for NIC and Tax payments will be filed in the Inland Revenue payments file.

7. Direct Debits and Standing Orders

- a) The above rules for payments by cheque apply to payments by standing orders;
- b) When setting up or amending a direct debit or standing order by post, the relevant form will be signed by two signatories and a copy kept on file;
- c) When setting up or amending a standing order by internet banking, an internet payment requisition will be completed and signed by two signatories.

8. Petty cash

- a) An imprest of £200-00 is maintained for small payments such as bus fares, local purchases of tea & coffee and items for equipment repairs, casual wages, and management committee expenses;
- b) Cash will be drawn from the bank to make up the imprest;
- c) Expenses above £40-00 will be paid by cheque, with the exception of casual wages if the casual worker requests payment by cash;
- d) Payments will be recorded on a signed petty cash slip and only be made if a receipt or other docket is provided - the petty cash slip will be initialled by the claimant and by the finance worker;
- e) The petty cash tin is to be kept locked in the secure cupboard at all times;
- f) Petty cash records are entered weekly on computer.

9. Staff wages

- a) When collecting wages paid in cash, staff should check the payment and sign the wages record sheet.

10. Reports

- a) The finance section will maintain a weekly running balance and produce a report at the end of quarter detailing income and expenditure to date and the projected out-turn for the year with a budget comparison.
NB. This report will usually be prepared by a finance worker other than the one responsible for the day-to-day transactions during the month in question;
- b) The staff team will scrutinise the quarterly report and assess the feasibility of the projections;
- c) The quarterly report will be presented to the management committee.